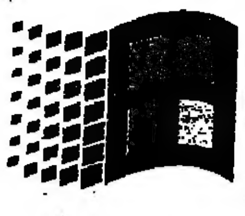
Fighting the sceptics
Lloyd's looks for corporate capital



Young pretender
Microsoft changes tack
Page 10

Talent for survival
Brazilian steel back in profit
Page 14

TOMORROW'S
Weekend FT
Should the BBC be privatised?

FINANCIAL TIMES

Europe's Business Newspaper — FRIDAY NOVE[illegible]

Superdrug may appeal to Brussels on perfume supply

UK discount drugstore chain Superdrug threatened to take its campaign to sell cut-price fragrances to Brussels, after UK competition authorities rejected the company's complaint that perfume manufacturers were unfairly refusing to supply it. A Monopolies and Mergers Commission report said that although a "complex monopoly" existed among the perfume houses, it did not operate against the public interest. Page 16; A sweet victory, Page 15; Editorial Comment, Page 15

Rouble zone crisis: The collapse of the rouble zone could save Russia more than $15bn a year but push many other ex-Soviet republics deeper into economic crisis – possibly provoking political unrest – the IMF and World Bank said. Page 16; EU boost for Yeltsin, Page 2

Volvo holds rights issue talks: Volvo, the Swedish motor group, is sounding out shareholders over a big rights issue in case merger plans with France's Renault collapse. Page 17

Sinn Féin president refused entry to US

President Bill Clinton has barred the latest attempt by Sinn Féin president Gerry Adams to enter the US on the grounds of his alleged involvement with the IRA. The White House confirmed the decision even though Mr Adams' declared reason for the trip was to explain a peace initiative with SDLP leader John Hume. Page 8

Opinion swings behind Nafta: A poll has found a rise in support for the North American Free Trade Agreement, boosting hopes of supporters before Wednesday's Congress vote. Page 4

Royal Dutch/Shell rises 8%: Anglo-Dutch oil group Royal Dutch/Shell reported profits up 8 per cent to £861m for the third quarter in a performance marred by higher restructuring costs in its troubled chemical division. Page 17

Call for EU innovation: Executives from leading European industrial groups called for more co-operation between governments, the European Commission, scientists and industry to fight technological competition from Japan and the US. Page 2

Polly Peck man questioned: Michael Jordan, administrator to collapsed Polly Peck International was questioned at the Istanbul public prosecutor's office over allegations of bribery made by PPI's former chairman Asil Nadir. Page 7

French road crash kills 15: A committee of inquiry is to investigate an accident on the Paris-to-Bordeaux motorway in which at least 15 people were burnt to death and 47 injured when a French tanker caught fire, engulfing dozens of cars in flames. Picture, Page 3

Protest at 'super' voting rights: Australian fund managers supported the principle of one-share one-vote in a debate provoked by Rupert Murdoch's desire to introduce "super shares", with multiple voting rights, at News Corporation. Page 17

UN toughens Libyan sanctions: The UN Security Council imposed new sanctions against Libya for refusing to surrender two suspects accused of the 1988 bombing of a Pan Am airliner over Lockerbie, Scotland.

Argentina to sign nuclear treaty: Argentina's congress ratified the 1967 Tlatelolco Treaty banning nuclear weapons from Latin America. Page 5; Benefits of deregulation, Page 5

China debates austerity: China's debate over curbs on an overheating economy surfaced in the official press with a defence of the austerity-reform programme by a deputy governor of the People's Bank. Page 6

Pink Snow

This Saturday, the FT publishes its 1994 guide to the world's top skiing resorts. This 20-page supplement also includes a unique FT ranking of tour operators, what to wear on the slopes, best buys in boots and skis, and FT readers' own skiing stories

STOCK MARKET INDICES		
FT-SE 100:	3,099.7	(+1.2)
Yield	3.82	
FT-SE Eurotrack 100	1,335.92	(+1.02)
FT-A All-Share	1,529.21	(-0.0%)
Nikkei	18,158.52	(+36.81)
New York lunchtime		
Dow Jones Ind Ave	3,675.28	(+11.73)
S&P Composite	464.85	(+1.13)
US RATES (closed)		
Federal Funds:	-	($2\frac{15}{16}$%)
3-mo Treas Bills: Yld	-	(3.168%)
Long Bond	-	($100\frac{5}{16}$)
Yield	-	(6.203%)
LONDON MONEY		
3-mo Interbank	$5\frac{11}{16}$%	($5\frac{21}{32}$%)
Liffe long gilt future:	Dec $113\frac{7}{8}$	(Dec $113\frac{15}{16}$)
NORTH SEA OIL (Argus)		
Brent 15-day (dec)	$15.7	(15.58)
Gold		
New York Comex (Dec)	$376.4	(377.4)
London	$376.25	(376.75)

STERLING		
New York lunchtime:		
$	1.4755	
London:		
$	1.4785	(1.476)
DM	2.5	(2.4975)
FFr	8.7125	(8.705)
SFr	2.2125	(2.2025)
Y	157.5	(158.25)
£ Index	80.6	(80.4)
DOLLAR		
New York lunchtime:		
DM	1.69335	
FFr	5.897	
SFr	1.4975	
Y	106.4	
London:		
DM	1.6915	(1.692)
FFr	5.8925	(5.8975)
SFr	1.496	(1.493)
Y	106.45	(107.2)
$ Index	66.2	(66.4)
Tokyo close Y 107.0		

Austria	Sch30	Greece	Dr300	Lux	LFr65	Qatar	QR12.00		
Bahrain	Din1.250	Hong Kong	HK$18	Malta	Lm0.60	S.Arabia	SR11		
Belgium	BFr65	Hungary	Ft185	Morocco	MDh13	Singapore	S$4.10		
Bulgaria	Lv25.00	Iceland	IKr215	Neth	Fl 3.75	Slovak Rp	KSL45		
Cyprus	C£1.00	India	Rs40	Nigeria	Naira45	South Africa	R12.00		
Czech Rp	CZK45	Israel	Shk5.90	Norway	NKr18.00	Spain	Pta210		
Denmark	DKr15	Italy	L2700	Oman	OR1.50	Sweden	SKr15		
Egypt	E£4.50	Japan	Y500	Pakistan	Rs35	Switz	SFr3.20		
Finland	FM12	Jordan	JD1.50	Philippines	Pso45	Syria	S£50.00		
France	FFr9.00	Kuwait	Fils600	Poland	Zl 32,000	Tunisia	Din1.250		
Germany	DM3.30	Lebanon	US$1.25	Portugal	Es215	Turkey	L8000		
						UAE	Dh11.00		

Japanese magnate held in corruption probe

By Robert Thomson in Tokyo

MR RYOEI SAITO, the magnate who led Japan's charge into world art markets and jokingly said that he wanted to be buried with his Van Gogh and his Renoir, was keeping less salubrious company last night after his arrest as part of a crackdown on political corruption.

The arrest of of Mr Saito, 77, honorary chairman of Daishowa Paper, the country's second largest paper manufacturer, follows allegations that he authorised a Y100m ($934,000) payment to a provincial governor who approved the development of a Daishowa-linked golf course and housing complex.

During 1990, Mr Saito boosted art prices by paying $160.6m for a Renoir café scene and Van Gogh's Portrait of Dr Gachet. He then bought a version of Rodin's "The Thinker" statue for Y1.5bn.

His family has links far beyond the paper industry. His brother Shigeyoshi, former governor of Shizuoka, south of Tokyo, is married to a Toyoda, of Toyota Motor fame, while a son, Toshitsugu, is an MP for the opposition Liberal Democratic party. But Ryoei Saito is lord of the clan, and his detention, along with that of Daishowa's vice-chairman, Mr Taira Kiyosawa, raises doubt about the future of the company and has stirred fears over who will be the next to fall in the public prosecutors' drive against corruption.

Up to now, executives at five large construction companies have been arrested, along with a few local politicians. Mr Ichiro Ozawa, the former LDP powerbroker at the centre of the governing coalition, is under pressure to give evidence in parliament about a Y5m donation from a contractor.

The allegations against Mr Saito involve Y100m paid to Mr Shuntaro Honma, the former governor of Miyagi, north of Tokyo, who said in 1991 that exceptions should be made to planning regulations which had blocked the construction of the Natori Greenport golf course and housing complex.

Mr Saito has come back from the brink in the past, having been forced to relinquish control of his company in 1982 to Sumitomo Bank, after accumulating an unsustainable Y500bn in debt. Four years later, Mr Saito, bitter that the restructuring included the sale of cherished paintings, severed links with Sumitomo and returned to the helm.

He has insisted that recent art acquisitions will not be sold, even though Daishowa is again being restructured. The company's health has been undermined by Mr Saito's ambitious expansion of paper production capacity and by the diversification into golf course development.

Moody's debt rating review

Crisis at Euro Disney deepens as shares slide

By John Ridding in Paris, Martin Dickson in New York and Our Financial Staff in London

SHARES IN Euro Disney plunged further yesterday, losing more than 15 per cent of their value on the London stock market as investors displayed increasing anxiety about the crisis at the theme-park operator.

Yesterday's falls followed a similar decline on Wednesday when the company announced it had lost FFr5.3bn (£610m) in its first full year of operation.

The losses, largely the result of exceptional charges, raised fears that the EuroDisneyland theme park in the eastern outskirts of Paris would be unable to survive without a refinancing deal with its shareholders and banks.

The continued decline in the share price, which closed yesterday at 368p down 68p, will complicate plans for a rights issue, seen as one of the most plausible options in a capital restructuring.

"At the current share price they would need something like a one-for-one issue to raise the necessary funds," said Mrs Rebecca Winnington-Ingram, hotels and leisure analyst at Morgan Stanley.

Moody's Investors Service, the credit information agency, announced it had placed the long-term debt ratings of Walt Disney, the US entertainment group which owns 49 per cent of the European leisure company, under review for a possible downgrade. It said this was prompted by concern that the acceleration of losses at Euro Disney could result in deterioration of debt protection measurements for Walt Disney bondholders. Moody's currently rates Disney's senior unsecured notes at Aa3.

Moody's said Walt Disney might inject significant extra funds into Euro Disney to preserve its image and trademark, which could result in an increase in the company's risk profile.

Financial restructuring plans are starting to be negotiated between Euro Disney, its bankers, and Walt Disney. The talks are likely to turn into a test of nerve as Euro Disney's bankers press Walt Disney to inject fresh capital into Euro Disney in return for subscribing to a share issue or renegotiating the terms of their loans.

About 60 banks are owed some FFr21bn by Euro Disney. The biggest lenders are French, including the Caisse des Depots, the state investment institution, Banque Nationale de Paris and Banque Indosuez.

Also involved in arranging Eurodisney's syndicated loans are Citibank, Deutsche Bank, JP Morgan and LTCB of Japan. Three UK banks, National West-

Continued on Page 16
Walt Disney's historical vision, Page 19
London stocks, Page 27

Bill Clinton, battling to secure enough votes for passage of the North American Free Trade Agreement, walks to a press conference in the White House. Mr Clinton is thought to be about 20 votes short of a majority in next week's vote

Clinton bars Adams, Page 8 Picture AP

Kohl stands firm on European unity

By Quentin Peel in Bonn

CHANCELLOR Helmut Kohl restated yesterday his commitment to the goal of European union, and rejected any revival of nationalism in Germany.

His speech to the German parliament was an unequivocal rebuke to Mr Edmund Stoiber, the Bavarian prime minister and his political ally.

In an effort to stem popular scepticism about European integration, he said: "For Germany, there is no alternative to European unity. Securing and continuing the task of European unification concerns the very fate of this continent, but above all of our country."

He warned that if the European Union became no more than a "glorified free trade zone" as Lady Thatcher, the former British prime minister, wanted it to be, "it will not last long into the next century." It was essential to complete the political underpinning of the union, if the "evil spirits of the past" were to be kept under control.

His words won support from a great majority of the Bundestag, in a hastily arranged debate on the future of Europe and the outcome of the last European summit.

Yet Mr Stoiber, the political strongman of the conservative, Bavaria-based Christian Social Union, the sister party of Mr Kohl's Christian Democratic Union in the ruling coalition, sat unrepentant.

As speaker after speaker from the government benches, and from the opposition Social Democratic party (SPD), denounced his views, he said: "I stand before you condemned of high treason."

Accusing his fellow politicians of suffering too long from guilt over their national identity, he declared: "We do not want a European nation in the place of nation states."

Even before yesterday's debate, Mr Rudolf Scharping, the leader of the SPD, had pledged his support for Mr Kohl's European commitment, in a remarkable demonstration of cross-party solidarity.

Mr Klaus Kinkel, the foreign minister and leader of the Free Democratic Party, had warned that all his fellow ministers in the European Union were shaken and dismayed by Mr Stoiber's views. European union did not mean that Bavarians would lose their identity, he said.

Yet it was left to Mr Kohl to make the resounding restatement of Germany's European commitment, and seek to head off international fears of a growing nationalist sentiment in the country.

Steelmakers outraged, Page 3

Tunnel link faces delay over plans for private involvement

By Charles Batchelor and Roland Rudd in London

THE £2.6bn Channel tunnel rail link is to suffer a further delay as a result of the UK's public spending squeeze and a decision announced yesterday to involve private sector companies from the outset.

Mr John MacGregor, transport secretary, announced plans to bring the private sector into the project before legislation goes through parliament despite fears that this would delay completion of the link until at least 2002.

The decision to involve private sector companies at a very early stage will allow them to influence the design of the project. But it goes against advice from Union Railways, the company which has been developing the link, which wanted the political uncertainties out of the way before involving the private sector.

Trafalgar House, the construction group, said it welcomed the chance to become involved in the project at an early stage, although the way in which risk was shared between the public and private sectors would determine private sector interest.

The company has revived its Eurorail subsidiary, a joint venture with BICC and General Electric Company, to look at this and other rail projects.

In an attempt to improve the appeal of the project, the government said it would include European Passenger Services, the company which will operate international trains between London Waterloo, Paris and Brussels, in the project. This would give it a stream of revenue during construction.

Companies which want to join a consortium to build the link will be invited in January to prequalify, and the tender documents will be sent out in the spring. Hill Samuel, the merchant bank which is advising the government, had met "a great deal of interest," Mr MacGregor said.

The timetable announced by Mr MacGregor yesterday indicates a further slippage in the legislative and construction programme. A final decision on the route will not be taken until early next year – December had earlier been suggested as the deadline – and work preparing a hybrid bill will take at least until the autumn of 1994 and possibly into 1995.

Getting the bill through parliament is expected to take 18 months and construction work is then expected to take another five years, suggesting 2002 as the earliest date for the opening.

Private companies will be asked to bid for the amount of government money they require, although the government is limited by the Channel tunnel legislation to helping to finance parts of the project which contribute to domestic rail services.

Mr John Noulton, public affairs director for Eurotunnel, said: "There is a very disappointing lack of urgency in getting legislation in place to authorise the rail link."

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NEWS: EUROPE

Pöhl breaks silence about Maastricht

By David Marsh, European Editor

MR Karl Otto Pöhl, who resigned after 11 years as president of the German Bundesbank two years ago, has broken his silence and has spoken out about "defects" in the Maastricht treaty on European union.

In two lectures this week at the London School of Economics, the man who was once Europe's best known central banker and is now part-time chairman of the well capitalised Cologne-based Sal Oppenheim private bank.

left a 500-strong audience in no doubt of his scepticism about the likely impact of the European Monetary Institute. The EMI is being set up in Frankfurt next year to supervise the next stage of the planned move to European economic and monetary union (Emu).

He risked inflaming old wounds with Chancellor Helmut Kohl, with whom relations have soured because of Mr Pöhl's criticism in 1990-91 of the financing of German reunification.

Mr Pöhl said mistakes over introducing the D-Mark into eastern Germany were partly to blame for German budgetary imbalances which have caused the Bundesbank to maintain tight money. This had worsened the European recession, and made Emu prospects "much less favourable".

Mr Pöhl referred defiantly to his celebrated remarks in March 1991 that the aftermath of German monetary union had been "a disaster". The controversy stirred by these comments helped lead to his resignation, and rankles still with Mr Kohl. "The Chancellor did not like the remark. But it was not wrong," Mr Pöhl said.

Although he took care not to criticise directly Mr Kohl or the present Bundesbank leadership, Mr Pöhl took issue with the central bank's reliance on monetary targets to guide interest rate policy. "Money supply figures should be used with caution," he said.

On the next stage of Emu, Mr Pöhl damped some European politicians' hopes that the EMI would have a role in monetary decision-making. "You must always be aware that the EMI will have no decision-making powers. This is something the Bundesbank will always insist on. The Bundesbank is not ready to share responsibility with this new institution."

Trying to sound diplomatic, he added: "The creation of the EMI in Frankfurt might appear a rather academic event without much practical relevance. I wouldn't say that. It could be useful in some respects to continue the work of the European committee of central bank governors to develop tools for a common monetary policy. But this could also be carried out by the governors' committee."

Mr Pöhl said the main issue facing Europe was combating unemployment and opening the west to the former eastern bloc. "We can't solve these problems by establishing a monetary institution in Frankfurt."

Because of "hidden unemployment", he said the true figure for unemployment in Germany was between 5m and 6m compared with the official total of 3.5m. "It's the same problem in Spain or France."

Mr Pöhl said the Maastricht treaty dealt more with the past than the future. "I'm not sure whether a treaty which seeks to establish monetary and political union in the west is the right answer to those countries [in central and eastern Europe] who say they are also part of the European community and European culture."

EU provides Yeltsin with pre-poll boost

By John Lloyd in Moscow

THE European Union is to provide a showcase for President Boris Yeltsin of Russia in Brussels next month on the eve of the European summit - and of his own parliamentary elections.

Mr Jean-Luc Dehaene, the Belgian prime minister and holder of the EU presidency, said last night after meeting Mr Yeltsin in Moscow that he had invited the Russian leader to Brussels on December 9 to sign a declaration of intent preparatory to a signing of the Treaty of Partnership between the EU and Russia, which for technical reasons cannot be signed until the end of December.

The European summit is on December 10 and 11, and the Russian elections are on December 12.

Mr Alexander Shokhin, the Russian deputy premier who has, with Sir Leon Brittan, the Brussels trade commissioner, thrashed through the agreement which was finally approved in principle earlier this week by EC foreign ministers, said that all matters of principle had been settled and all main compromises made. "It now only remains to put these principles into a detailed language," he said.

The Partnership Treaty should usher in a closer political and economic dialogue between the EU and Russia.

Mr Dehaene said that Russian exports to the EU countries were eight times more than to Japan and 27 times more than to the US, while the member countries contribute 65 per cent of the assistance to Russia. He said that yesterday's visit by himself and Mr Jacques Delors, the Commission president, was the beginning of a series of meetings which would put the dialogue between Russia and the EU on the same footing as between the EU and the US and Japan.

Mr Willy Claes, the Belgian foreign minister, said that they had no doubt that the elections in Russia - to which the EU would send a number of observers - would be free and democratic, and mark a "historic turning point" for the Russian people.

Associated Press

Captured Bosnian Moslem troops being guarded by Serb soldiers north of Sarajevo yesterday

Sarajevo evacuations resume

By Laura Silber in Belgrade

SERB forces yesterday released two Bosnian government bodyguards, who were abducted from a UN armoured car, prompting Sarajevo authorities to resume the evacuation of Serb civilians from the besieged capital.

UN officials said the two guards from the Bosnian interior ministry, who had been escorting the Roman Catholic Archbishop of Sarajevo but were seized by Serb gunmen and held for three days, were handed over to UN mediators at Lukavica, the Serbian garrison on the outskirts of Sarajevo.

But while Serb commanders appeared to cave in to UN pressure to free the two men, UN officials yesterday said they continued to block the passage of humanitarian aid to Moslem enclaves designated as UN "safe areas".

● Belgrade economists say inflation is running at 0.5 per cent an hour, spurning claims by the government of brighter economic prospects.

Czech inflation near 20%

CZECH consumer prices rose by 1.1 per cent in October bringing the year-on-year inflation rate to 19.9 per cent since October 1992, the Czech Statistical Office reported yesterday, writes Patrick Blum in Vienna. The strongest increases were recorded for communications and food products. Analysts expect inflation for the whole of 1993 to overshoot the government's 15-17 per cent target.

UK bucks trend of plunging sales of new cars

By Kevin Done, Motor Industry Correspondent

WEST European new car sales fell by an estimated 15.1 per cent in October to 902,000.

Demand has dropped sharply for 10 months in succession, as the European motor industry suffers its steepest sales decline of the post-war period.

New car sales in the first 10 months of the year declined by 15.3 per cent to 9.8m, according to industry estimates, with 1.76m fewer cars sold so far this year than in the corresponding period of 1992.

Much of the industry is operating at a loss as carmakers take drastic action to reduce production and cut jobs.

New car sales in October were lower than a year ago in 13 of 17 markets across western Europe, with demand growing only in the UK and in Scandinavia.

In the first 10 months of the year sales were lower than a year ago in 15 of 17 markets across west Europe, with demand growing only in the UK and marginally in Norway.

There was little sign of the recession easing in any of the large volume markets with the exception of the UK.

New car sales in Germany fell by an estimated 18.7 per cent in October compared with the decline of 18.6 per cent in the first 10 months.

In Italy sales fell by 19.7 per cent in October compared with a decline of 22.1 per cent in the first 10 months of the year, while in Spain a decline of 22.8 per cent in October compared with a drop of 25.1 per cent in the first 10 months. The pace of decline in France was little changed, with a drop of 17.5 per cent year-on-year in October and of 17.3 per cent in the first 10 months.

The UK remains the only significant market in west Europe, where new car sales are rising - albeit from a depressed level - with an increase year-on-year of 15.5 per cent in October and of 12.1 per cent in the first 10 months.

Sales in the UK are being boosted by the most aggressive marketing campaigns ever mounted, as carmakers seek to gain a larger share of the only growth market.

Among the volume carmakers, the Volkswagen group of Germany and the Fiat group of Italy have lost most ground this year, with sales plunging by around 21 per cent in the first 10 months.

Rover group, the vehicles subsidiary of British Aerospace, is the only significant carmaker in Europe to have increased its sales volume. It has been helped mainly by the increase in the UK market.

WEST EUROPEAN NEW CAR REGISTRATIONS
January-October 1993

	Volume (Units)	Volume Change(%)	Share (%) Jan-Oct 93	Share (%) Jan-Oct 92
TOTAL MARKET	9,796,000	-15.3	100.0	100.0
MANUFACTURERS:				
Volkswagen group	1,600,000	-20.6	16.3	17.4
- Volkswagen	1,059,000	-20.5	10.8	11.5
- Audi	271,000	-24.9	2.8	3.1
- Seat	226,000	-19.2	2.3	2.4
- Skoda*	44,000	+4.9	0.4	0.4
General Motors#	1,289,000	-11.4	13.0	12.4
- Opel/Vauxhall	1,222,000	-10.9	12.5	11.9
- Saab**	34,000	-23.1	0.3	0.4
PSA Peugeot Citroen	1,193,000	-14.6	12.2	12.1
- Peugeot	723,000	-14.7	7.4	7.3
- Citroen	470,000	-14.4	4.8	4.8
Renault-Volvo ††	1,172,000	-15.7	12.0	12.0
- Renault	1,029,000	-15.5	10.5	10.5
- Volvo	143,000	-16.9	1.5	1.5
Ford#	1,146,000	-14.0	11.7	11.5
- Ford Europe	1,136,000	-14.0	11.6	11.4
- Jaguar	10,000	-0.1	0.1	0.1
Fiat group##	1,090,000	-21.3	11.1	12.0
- Fiat	816,000	-20.7	8.3	8.9
- Lancia	155,000	-22.6	1.6	1.7
- Alfa Romeo	108,000	-25.0	1.1	1.5
Nissan	346,000	-8.8	3.5	3.2
BMW	316,000	-17.5	3.2	3.3
Rover†	306,000	+12.9	3.1	2.3
Mercedes-Benz	291,000	-17.1	3.0	3.0
Toyota	275,000	-5.0	2.8	2.5
Mazda	171,000	-27.4	1.7	2.0
Honda†	139,000	-10.4	1.4	1.3
Mitsubishi	123,000	-12.7	1.3	1.2
Total Japanese	1,209,000	-12.0	12.3	11.9
MARKETS:				
Germany	2,727,000	-18.6	27.8	28.0
Italy	1,610,000	-22.1	16.4	17.9
United Kingdom	1,577,000	+12.1	16.1	12.2
France	1,413,000	-17.3	14.4	14.8
Spain	620,000	-25.1	6.3	7.2

*VW holds 31 per cent and management control of Skoda.
#Includes cars imported from US and sold in western Europe.
**GM holds 50 per cent and management control of Saab Automobile.
††Renault and Volvo plan merger in January 1994. Presently linked through minority cross-shareholdings.
Fiat group includes Lancia, Alfa Romeo, Innocenti, Ferrari and Maserati.
†Honda holds a 20 per cent stake in Rover vehicle operations.

Source: Industry estimates

Olivetti chief freed from house arrest

By Robert Graham

MR Carlo De Benedetti, head of Olivetti, was yesterday freed from house arrest imposed by Rome magistrates last week following investigations into alleged corruption on postal contracts.

Immediately the news was conveyed to Mr De Benedetti in his Milan apartment, he decided to attend a meeting of Confindustria, the Italian industrialists' confederation, in Rome. The move appeared a determined attempt to demonstrate that his problems with the judiciary had not affected his position as a leading industrial figure.

Last week Rome magistrates created a sensation by insisting on Mr De Benedetti's formal arrest and brief entry into prison before being interrogated for allegedly paying L10bn ($6.29m) to obtain post office contracts for Olivetti teleprinters and telex machines.

In another development yesterday, Rome magistrates examining alleged corruption in the allocation of television channels announced that Mr Adriano Galliani, a board member of media magnate Silvio Berlusconi's Fininvest, was under investigation. Mr Galliani, also a director of Milan football club, denied any wrongdoing.

Party figure declines $11m rap

By Robert Graham in Rome

A LEADING Christian Democrat implicated in Italy's corruption scandals is refusing to accept financial responsibility for funds collected illicitly on behalf of the party.

The case is being watched closely by others accused of raising large sums through bribes and undeclared contributions to fund party activities.

The outcome will determine whether individuals or parties are liable to repay illegally collected funds.

Mr Maurizio Prada, long-time administrator for the Christian Democrats in Milan, is being asked by magistrates to hand back L16.9bn ($10.6m) which he admits illicitly collecting from local businessmen.

Mr Prada was arrested last year and has accepted the legal consequences for his actions, but is refusing to accept financial liability. He has threatened to sue the Christian Democrats if they fail to return the funds he collected for the party.

He has detailed six sums of money, from L840m to L5.3bn, which he collected between 1984 and 1989 on behalf of the Milan party, the regional office or the national Christian Democrat treasury. He further alleges the party knew that declared contributions were tiny in relation to the expense of running a large party apparatus.

The party itself, now under new administrative control, is expected to deny liability for past actions. At the same time the party's finances are so depleted it would have difficulty repaying Mr Prada.

The problems of Mr Prada pale beside those of Mr Severino Citaristi, the Christian Democrat party treasurer, who faces more than 20 charges of receiving illicit funds totalling L100bn.

In addition the treasurers of all the main parties have become caught up in the scandals. If the courts are to seek recovery of illicit funds through individuals rather than parties, the individuals in turn will probably be obliged like Mr Prada to sue the parties.

At a more general level the Prada case highlights the problem of recovering the vast amounts of money paid in bribes and commissions at the expense of the taxpayer. In most cases the bulk of such money has already been spent.

French take hammer to crack a nut

By David Buchan in Paris

THE swoop by French police on suspected Islamic fundamentalists this week was more a warning against possible future trouble than a response to any actual terrorist threat.

Mr Charles Pasqua, the interior minister who gives the Balladur government its hard-line conservative edge, told parliament that the dawn arrests on Tuesday of 88 suspected fundamentalists, mainly of Algerian origin, had uncovered "a number of arms, important sums of money and false identity papers". But the arms haul amounted to two guns and a few electronic components that allegedly could be used in bomb-making.

Most of the 88 were released as swiftly as they had been arrested. By yesterday, police held only three men, had confined six others to their homes and had returned one imam (Moslem priest) to Turkey for recently telling Le Figaro newspaper that Islamic law should take precedence over that of France.

Police did find quantities of tracts sympathetic to the Islamic Salvation Front (FIS) banned in Algeria. More sinister was the apparent discovery of a copy of the same message warning French expatriates to leave Algeria which was given to three kidnapped French consular officials on their recent release by an FIS sister organisation, and a note of the London telex number through which responsibility was claimed for the killing of two French geologists in Algeria.

But the evidence is that the French government was more interested in scaring the handful of FIS activists in France, than scared by them. Paris does not seem to have been pushed into overt action by Algiers; the Algerian government was apparently quite happy with the close but passive French police surveillance of suspected FIS members over the past months.

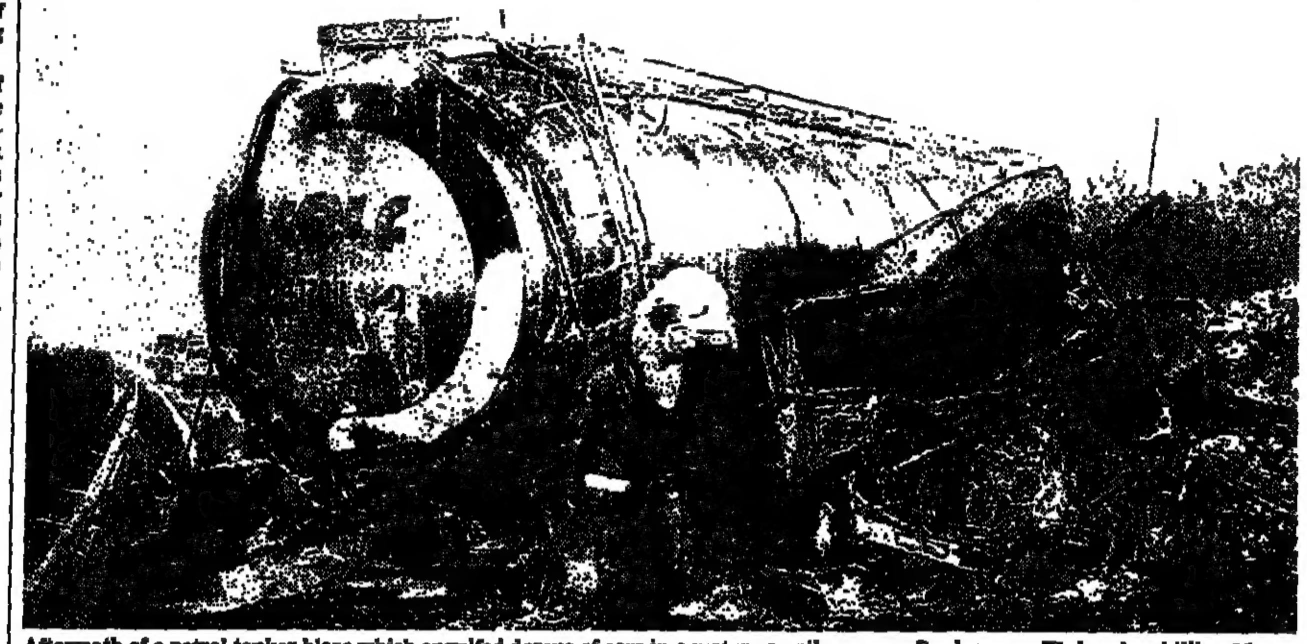
The French authorities are very nervous at any signs of fundamentalism spreading among France's 3m Moslems, the country's second largest religious group, way ahead of Protestants or Jews. France weathered the 1991 Gulf war, with its large population of Maghreb origin showing none of the objection to French involvement which was displayed back in north Africa.

But there are home-grown reasons for the spread of Moslem fundamentalism in France, particularly in deprived, drug-ridden suburbs where unemployed young "Beurs" (as French-born Arabs are known) often find solace in Islam. In such areas traditional social and political forces like the Catholic church and the Communist party are giving way to imams and mosques. France has some 100 mosques capable of taking more than 100 worshippers, but a far larger number – an estimated 900 – which are simply converted suburban basements or flats.

Yet, there are very few home-trained imams – only 4 per cent of the 500 in France, according to one estimate. At the recent opening of a Moslem seminary, Mr Pasqua himself said he hoped more imams would be trained in France. In the town of Nantua in south-east France from which the Turkish imam was expelled this week, two Turkish and two Moroccan girls have been suspended from their school for wearing "tchadors" or head scarves. Such girls face a cruel dilemma: ostracism at school if they wear scarves, or ostracism at home if they do not.

Serious though these long-term integration problems are, the French government faces a more immediate diplomatic challenge with Algeria itself. Paris has found itself pushed from denouncing the cancellation of elections in January 1992 to reluctantly backing the same government.

"Our interest is stability in Algeria, in democracy if possible, but not in the arrival of fundamentalists in power there," says one official. This support, bolstered by a FFr1bn (£110m) credit earlier this year, is tempered by warnings to the Algiers authorities that they must lose no more time in embarking on political and economic reform. But the longer the Algiers authorities drag their feet, the more France become a target of their opponents.



Aftermath of a petrol tanker blaze which engulfed dozens of cars in a motorway pile-up near Bordeaux on Wednesday, killing 15 Reuter

Investment shake-up for French TV

A reshuffle of domestic shareholdings in French television is expected to result from this week's bill allowing single investors to increase their stakes from 25 to 49 per cent in a TV station, David Buchan reports from Paris.

When TF1, France's leading TV station, was privatised, and newer private channels such as M6 and Canal Plus were set up, the 25 per cent limit was considered necessary to prevent a concentration of media power. But many large investors have complained that the limit gives them financial liability, without management control.

The bill is unlikely to change the fact that French TV is considered off limits to foreigners.

Fear defines election in Italy's steel city

Jobs are Taranto's big issue, writes Robert Graham

Municipal Elections

The smoke from the blast furnaces of Europe's largest steel complex always colours a part of the sky over Taranto.

But the city's 250,000 inhabitants care little about the pollution. For them, the sound of the blast furnaces echoing across the harbour and the pall of foul air above their homes is a guarantee of jobs and wage packets.

Begun in 1960, the state-owned steelworks converted Taranto, in the heel of Italy, into one of the rare zones of prosperity and job security in an otherwise depressed mezzogiorno. It offset the declining fortunes of the naval dockyards, falling profits from fishing, and cuts in the defence budget, which lessened the importance of Taranto as the base for the Italian home fleet.

Now Taranto has become one of the casualties of Europe's over-production of steel.

Ilva, the state steel company, is being forced to rationalise and privatise by the EU Commission in Brussels, putting a quarter of the jobs at risk – perhaps even more if the Italian government fails in its efforts to implement its latest privatisation plan.

"The effect is always worse when a town is based round a mono-culture," observes Mr Francisco De Ponzio, head of the local branch of the engineering workers union. He has seen jobs at the steel complex fall from a high of 22,000 to 13,000. "The restructuring of Ilva means 4,500 jobs will go over the next three years in a city which already has 25 per cent unemployment."

The issue is dominating the forthcoming municipal elections of November 21, forcing all the political parties to make brave talk of job protection and special deals on new industries. The elections will take place in some 450 municipalities throughout Italy, involving a quarter of the electorate. At stake in Taranto is whether any party can prevent the city sinking into urban decay and the organised crime which characterises so much of southern Italy.

"Of all the municipal elections on November 21, Taranto is the only instance of all the force of the left uniting behind a single mayoral candidate," observes Mr Luciano Mineo, who is organising the campaign for the former communist Party of the Democratic Left (PDS) in Taranto.

The coalition, dominated by the PDS, consists of the Greens, Radicals, the Democratic Alliance movement, elements of the Socialist party and Reconstructed Communism – the latter being hard-line marxists that refused to join the PDS when the Communist party broke up in 1991.

Changes at Ilva threaten 4,500 jobs, with 25% already jobless in the city

The joint left mayoral candidate is Mr Gaetano Minervini, a former magistrate without previous political affiliations, although he is believed to be close to the PDS.

Against him is Mr Alfengo Carlucci, a Christian Democrat former mayor backed by Liberals, Social Democrats, Social Democrats, some Socialists and Republicans. This represents the coalition that ruled Taranto during the 1980s, but which has been riven by divisions and corruption scandals, forcing the administration to be disbanded 18 months ago.

The wild card is an unorthodox figure, Mr Giancarlo Cito, who owns a small local television station. Promising a people's government, he enjoys a degree of popularity, but has yet to overcome a whispering campaign against the mysterious source of funds for his television station.

Meanwhile, traders in Taranto are sceptical that any city hall administration can affect the economy since so many decisions are outside local hands. "Look, the decision to privatise Ilva and cut production at Taranto wasn't even taken by an Italian government, but by Brussels," said one bookshop owner.

Mr Mineo, however, sees the chance to create a flagship administration in the south. "The nature of the governing town council is important in at least two ways. First, it determines how Taranto's case is represented both in Bari (the regional capital) and in Rome. Second, it determines the extent to which the municipality is run efficiently, transparently and honestly."

Like almost every Italian city, Taranto's finances are in a mess. The previous administration ran up off balance sheet expenditure to the tune of L80bn. The municipally owned transport is deficit-ridden, and incapable of providing a competitive service. And the crumbling city looks as though it has yet to come to terms with the Allied bombardment during the second world war.

Whoever rules in city hall will preside over a Taranto traumatised by the fear of a descent into joblessness. Two months ago 170 workers for sub-contractors at the steelworks chained themselves to the production lines in protest over job losses, and nearly brought the entire complex to a standstill for five days. At Taranto's demonstration to mark the October 28 nationwide general strike a record 20,000 took part. "There was only one cry - jobs, jobs, jobs," said Mr De Ponzio.

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Bremen steel sale provokes outrage

By Ariane Genillard in Bonn

GERMAN private steelmakers expressed outrage yesterday at the decision by Klöckner-Werke, the diversified steel group, to sell its steel mill to a consortium led by the city state of Bremen.

Officials at Thyssen, the largest steel group in Germany, said the decision was purely political and would run against the European Union's efforts to reduce overcapacity in the European steel industry.

Klöckner-Werke decided yesterday to sell 75 per cent of its integrated steel mill in Bremen for a symbolic DM1 each to four local companies. These include Hiberg, a state-owned holding company, the Bremer Vulkan shipyards, Hegemann, a company manufacturing shipping equipment and the city's electricity utility.

The Bremen government plans to keep the loss-making steel mill open with its current crude steel capacity of around 3m tonnes. It will privatise part of the profitable electricity utility to raise funds and inject DM200m in the steel mill.

The decision eliminates a rival offer made by Thyssen and Krupp-Hoesch, Germany's two largest steemakers and Usinor-Sacilor, the French steel group. The consortium wanted to close most of the plant, keeping open only its modern cold-rolling facilities.

US public opinion swings behind Nafta

By Nancy Dunne in Washington

THE FIGHT over the North American Free Trade Agreement yesterday shifted outside Washington to the Congressional districts of members, sampling public opinion at home during this Veterans' Day holiday weekend.

The pro-Nafta forces, exulting over the debate victory of Vice President Al Gore over Texan billionaire Ross Perot, hoped they had finally captured the elusive momentum necessary to carry them to victory in the House vote next Wednesday. A USA Today/CNN poll of debate watchers found support for the trade pact between the US, Canada and Mexico had shot up from 34 per cent before the debate to 57 per cent after it.

Arthur Andersen & Company yesterday released a survey, by its tax and business advisory service, which found that large majorities of executives of medium-sized companies in Canada, Mexico and the US strongly support Nafta.

"Executives in all three countries overwhelmingly believe it will help their businesses and national economies," said Mr Charles Heeter Jr, Andersen associate partner.

A USA Today/CNN poll found that support for the trade pact shot up from 34% before the Gore/Perot debate to 57% after it

Congressman Robert Matsui, leader of the House Nafta proponents, yesterday predicted that returning House members would find a turnabout in the public mood.

Opponents, however, believe widespread fear over job losses will outweigh any new-found enthusiasm for Nafta. "The only thing that matters is the economy," said Mr Christopher Whalen, Washington trade consultant. "The political equation still is going to be that congressmen who vote for Nafta will have to look for other employment next year."

To blunt any momentum for the administration, Congressman David Bonior, an anti-Nafta whip, on Wednesday announced that he had 219 of 434 members pledged to vote against the pact. However, he needs at least 10-12 votes more than the majority to prevent last-minute switches, as the Administration increases its pressure.

The Administration this week has picked up 10 public endorsement votes, and claims to have a total of 192. It is publishing a free 800 telephone number with the offer to voters to send, free of charge, pro-Nafta telegrams to their congressman.

Around the country, the opposition troops are planning rallies, marches, town hall meetings and "accountability meetings" with congressmen. Ms Lori Wallach, an anti-Nafta leader, said Nafta would be won or lost in the congressmen's home districts.

Washington will not be bereft of activity over the long weekend. The anti-Nafta Citizens' Trade Campaign is bringing "Nafta Claus" to the Capitol to distribute gifts in a parody of the president's effort to sell Nafta to a reluctant Congress.

Turks see twin danger for textiles in EU link

John Murray Brown reports on nervousness over the shape of a customs union planned to start in 1995

AS TURKEY and the European Union this week opened the final round of negotiations to achieve a customs union in 1995, a potential flashpoint is emerging in the sensitive area of textiles.

With many Turkish industries now urging the government to provide protection beyond the deadline, clothes and cloth manufacturers are worried that Brussels may use this as a pretext to retain quotas on textiles.

Theoretically, a customs union requires both sides to remove tariff and non-tariff barriers to trade, which would mean the reduction of Turkish import duties to zero and the lifting of EC textile quotas. Turkey would also have to adopt the Union's common external tariff (CET) for third countries and fall into line with EU trade policies.

But textiles could suffer doubly if they remained restrained from expanding export markets in the EU, while also facing renewed competition at home from EU imports as barriers came down. Mr Okan Oguz, chairman of the Garment Exporters' Association says this could "kill off large parts of our industry".

The issue is clearly vital for the industry, Turkey's largest foreign exchange earner, with exports worth $5.3bn in 1992.

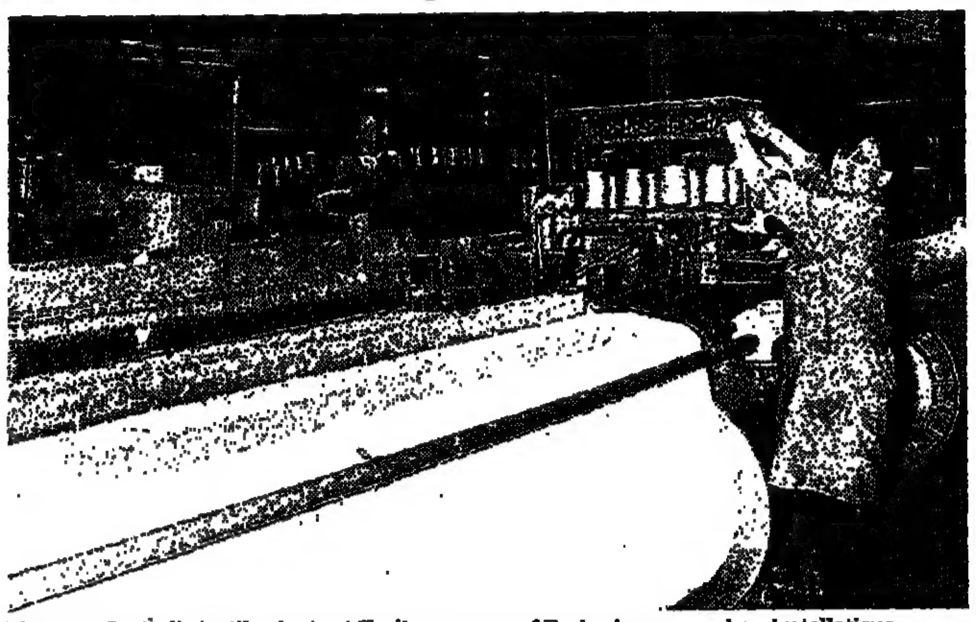
When first imposed in 1982, quotas only affected cotton yarn, but as Turkish industry has matured, an increasing range of products have faced volume curbs. The EU now places quotas on six textile and 10 apparel categories, from cotton yarn, knitted fabric, T-shirts and knitted outwear.

The importance of textiles for Turkey's economy can hardly be overstated. Textiles and apparel production accounts for 14 per cent of Turkey's gross domestic product, over a fifth of manufacturing employment, and 37 per cent of Turkey's export earnings.

Equally vital is the role of EU markets. Turkey is the largest supplier to the Union, accounting for 10 per cent of the EU's supplies; conversely, the EU buys 72 per cent of Turkey's total textile exports.

Commission officials say they have not received a formal request from Ankara to reschedule the tariff cuts for any of Turkey's so-called vulnerable sectors, although the car industry, consumer electronics and packaged foods have been mustering support in Ankara for a reprieve.

Structurally, the textile industry appears ill-suited to mount its own campaign. For one thing, the interests of the two branches of the industry – the textile and apparel manufacturers – are frequently in conflict over customs union.



Mensucat Santral's textile plants at Kazlicesme, one of Turkey's more modern installations Terry Kirk

Textile or fabric producers could well benefit from the adoption of the Union's protectionist policies towards third countries. For example, last year, Turkey took action against Pakistan over cotton yarn imports in what was the first known case of an anti-dumping action by one developing country against another. With a customs union, Turkish producers will have the full EU negotiating muscle behind them. As one textile manufacturer saw the prospect, "this is a gift from God".

However, for the apparel sector, restrictions on Pakistani or other cheap imported cotton will merely add to garment producers' costs. Officials point out that Pakistan last year shipped 8,500 tonnes of cotton yarn to Turkey, while Pakistan's current quota into the EU as a whole is only 9,000 tonnes.

Another concern of the apparel producers, is that, while they account for the lion's share of textile exports – apparels were worth more than $4bn in 1992 – they have little political clout, comprising as they do some 10,000 small and medium size businesses.

And yet it is the apparel companies which will be most vulnerable to increased import competition once a customs union is in place. With Turkish import levies at around 40 per cent, few EU fashion houses have penetrated the Turkish market. The value of EU garment sales to Turkey last year was worth a mere $36m, according to the Garment Exporters' Association. But with a customs union, EU products will be able to enter Turkey duty free.

Marks and Spencer, the UK stores group, last month announced it was looking for a franchise partner to market clothes imported from the UK. And Turkey's youthful and increasingly brand-conscious population is likely to attract other international names.

Turkey's own branded products such as Vakko and Beymen could find themselves under severe pressure.

Mrs Christiane Scrivener, the European commissioner in charge of customs, in a speech in Istanbul last month, was careful not to commit herself on quotas. The issue will ultimately be decided by the member states, not the Commission. But it is no secret that Portugal, and to a lesser extent Spain, would be only too happy to see restrictions retained on Turkish imports.

Germany bids for DM3bn China deals

By Quentin Peel in Bonn

GERMAN industrialists are hoping to sign contracts worth up to DM3bn (£1.2bn) in China next week, when Chancellor Helmut Kohl leads a top-level delegation for talks in Beijing, Shanghai and Guangzhou.

Among the deals expected to be finalised are the purchase of six Airbus A340 aircraft, worth some DM500m, and the DM700m contract for an 18km stretch of underground railway in Canton, to be built by a consortium headed by Siemens and AEG.

Around half the cost of the underground railway is intended to be financed with soft loans from the German development ministry, on the grounds that it is not a commercial project.

A further contract, also part financed with development loans, is for DM165m worth of railway wagons for the Chinese railway system, to be provided by Deutsche Waggonbau, one of the biggest east German enterprises still to be successfully privatised.

Some 40 chief executives of German companies are expected to travel with the Chancellor on his week-long trip, including Mr Edzard Reuter, the head of Daimler-Benz, Mr Heinrich von Pierer of Siemens, and Mr Ferdinand Piëch of Volkswagen.

Daimler-Benz' troubled Deutsche Aerospace subsidiary has been negotiating on possible collaboration deals in satellite technology, solar collectors, and other electronic components. Siemens, apart from its involvement in the underground project at Guangzhou, is also hoping for major telecommunications contracts in transmission systems, and digital mobile telephones.

Siemens Transportation Systems will also be making a proposal to the Chinese government to supply its ICE high-speed train system.

The German delegation is also hoping to sign new contracts for container ships which might be built at east German shipyards, on top of an existing contract for eight ships already signed.

Mr Kohl is to visit the VW plant in Shanghai, where the annual capacity of 100,000 Santana cars is to be increased to 150,000.

More than 100 potential new projects are under negotiation, according to the German economics ministry, including power stations and engineering plants.

German exports to China soared by more than 85 per cent in the first half of 1993, to reach almost DM5.4bn, while Chinese exports to Germany increased by a more modest 12 per cent to DM7.5bn, according to German figures.

The Chancellor's visit is seen as a big effort by the German government to support German industry in a new drive for Asian markets, which officials admit have been neglected in the past.

On departure from China, he will visit Hong Kong for talks with Mr Chris Patten, the British governor, underlining Germany's commitment to a "harmonious solution" between Beijing and London on the future of the colony, according to officials in Bonn.

Scepticism grows over access to Japan's markets

THE Japanese government's deregulation programme has been billed as an initiative that will add trillions of yen to domestic demand and create a million jobs, but many foreign companies in Japan are sceptical that tinkering with a few rules and regulations will actually open Japan's doors to more foreign imports, writes Michiyo Nakamoto in Tokyo.

A group of foreign-affiliated companies' managers in Japan has launched a scathing attack on the government's efforts to enhance access to Japan's markets and has called on the government to take concrete measures such as setting targets for foreign market share in specific products and industries, in order to realise the full benefits of deregulation.

In a report published this week, the Foreign-Affiliated Companies Management Association notes that no matter how many laws are changed, the bureaucratic red tape that hampers foreign penetration of Japanese markets is unlikely to change without a fundamental change in the way government offices are run and in the attitude of public officials.

The FAMA report cites cases in which foreign companies' efforts to market products in Japan have been thwarted by the action and attitude of government ministries rather than by official regulations.

For example, a German-affiliated company attempting to import a new kind of health drink to Japan was required to submit confidential product data to Japanese customs only to be kept waiting for one year before official approval was given. Meanwhile, a Japanese company began marketing a similar product and the German company was forced to give up plans to sell the product in Japan, the report states.

In another case, a European company had its application for a foreign executive's visa held up for nearly a year because he had not gone to university, prompting the justice ministry to view his academic background as that of foreign blue collar workers, against whom Japan has a closed labour policy.

NEWS IN BRIEF

BAe in talks over Swedish fighter

British Aerospace is negotiating to become a partner in Sweden's latest jet fighter, the JAS-39 Gripen, David White, Defence Correspondent, reports.

The British company has confirmed it is in discussions with Saab-Scania, part of the Swedish consortium building the lightweight fighter, which is already in production. A deal may involve component supplies and marketing support. BAe was already associated in development of the Gripen, and provided the first sets of wings.

The Gripen, described by its manufacturers as the world's first lightweight multi-role combat aircraft, was set back by accidents involving a test aircraft in 1989 and then the first production aircraft, which crashed in August because of problems with its sophisticated electronic flight control system.

Saab is a partner in the venture along with Volvo Flygmotor, Ericsson and FFV. The consortium has firm orders for 140 of the aircraft for the Swedish air force, for delivery between this year and 2001.

BAe, which has a strong foothold in the Middle East and Asia, would seek to market the Gripen beyond the traditional group of Swedish military aircraft clients, which has been restricted to other Scandinavian countries and Austria.

Israel opens telephone tender

Israel yesterday opened the tender for a second cellular phone service to compete with the existing monopoly operated by Motorola in partnership with Bezeq, Israel's state-owned telephone company, Julian Ozanne reports from Jerusalem.

A number of international companies are among consortia competing for the tender. Among bidders are Bellsouth in partnership with the Safra brothers and Discount investments; Southwestern Bell with Clal and the Aurec Group; McCaw, Telrad, Poalim investments and Belzberg group; Bell Atlantic with Danker Investments and IBM investments; the Elbit, GTE, Canadian Telcomm group.

The consortia have three months to bid for the tender which will initially be a 10-year license with an option for a further six years. The tender will be supervised by Israel's Ministry of Communications which expects an investment of $70-130m. The ministry has said that a foreign company may hold up to 80 per cent control of corporations competing for the tender if a majority of its directors are Israelis resident in Israel. Bidders must also have a paid-up capital of at least $200m (£132m) and have a 25 per cent shareholder which has been operating a mobile phone system with 100,000 subscribers for at least three years.

Kuala Lumpur transit finance

A much delayed mass transit system for Kuala Lumpur, the Malaysian capital, was given a boost yesterday with the signing of a M$851m (£224m) financing package for the project, Kieran Cooke reports from Kuala Lumpur The state-owned Bank Bumiputra bank and the local branch of the Hongkong and Shanghai Bank were the main arrangers of the part finance for the light rail transit system, the first stage of which is due for completion in mid 1996.

AEG Westinghouse Transport of Germany and Taylor Woodrow of Britain have a joint 30 per cent stake in the project. Others foreign investors are American Assurance, a Singapore government investment agency and the pension fund of the Shell group in Malaysia. Local partners include a government controlled pension fund.

Malaysian port to be expanded

The international engineering contractor Christiani and Nielsen (Thai) is to increase the capacity of the Malaysian capital Kuala Lumpur's Port Klang by a fifth, after winning a contract worth M$162m (£42.6m), Wiliam Barnes reports from Bangkok.

Christiani & Nielson, which has been associated with Port Klang's development since the 1950s will reactivate its Malaysian office. The work on two new wharfs, to be carried out by a 50:50 Malaysian joint venture company will double the port's existing capacity which is under some pressure from a boom in Malaysian exports.

Saudi Aramco in new oil joint venture talks

By Mark Nicholson in Cairo

SAUDI ARAMCO, the state oil producer and refiner, is negotiating with two South East Asian oil refining groups over a potential multi-billion-dollar joint-venture refining agreement.

The negotiations show Aramco is determined to continue its long-standing policy of guaranteeing supplies of crude to its major markets through joint refining deals, despite this week's cancellation of a £6.27bn project with Japan's three leading oil refiners.

The Saudis did not reveal the names of the two South East Asian companies, but oil officials said the talks were towards a deal of similar scale to that which broke down this week. Saudi Aramaco is discussing the possibility of buying into and upgrading existing refineries in the region as well as building new plants.

The talks are understood to be well advanced.

Nippon Oil, Nikko Kyodo and Arabian Oil announced on Monday they were pulling out of the proposed deal with Saudi Aramco and Caltex Petroleum of the US due to the slump in demand for petroleum products resulting from Japan's economic slowdown.

The joint venture would have purchased two existing refineries from Nippon Oil and Nikko Kyodo, while building a third in southern Japan.

Mr Yasushi Ebihara, managing director of Nippon Oil, said his group was keen to proceed with the project and build the new refinery "as soon as possible," but Nikko Kyodo had wanted, for economic reasons, to postpone the project.

The Saudis said the deal had fallen through over disagreements between the Japanese partners. They denied they had welcomed its cancellation for reasons of Saudi Arabia's own persistent budget deficits, or because Saudi Aramco is undergoing the considerable task of merging with Samarec, the state oil refining and marketing arm.

Saudi Aramco says it was confident of having been able to finance the Japanese joint venture and had no doubts about its ability to finance another possible deal.

US growth is back but doubts remain

By Michael Prowse in Washington

THE QUESTION exercising the minds of US forecasters is not whether the pace of economic growth has accelerated – it undoubtedly has – but whether faster expansion will prove sustainable and whether it will put upward pressure on inflation and short-term interest rates.

The mood in the US bond market and, to a lesser extent, stock market last week was grim. The sudden wave of bond sales reflected investors' concern that faster growth would inevitably put upward pressure on prices, bringing forward the timing of a long-feared tightening of US monetary policy. But this negative reaction to recent statistics may have been hasty.

There are good reasons to believe that the pace of growth will taper off somewhat early next year and that inflation will remain subdued for at least another year.

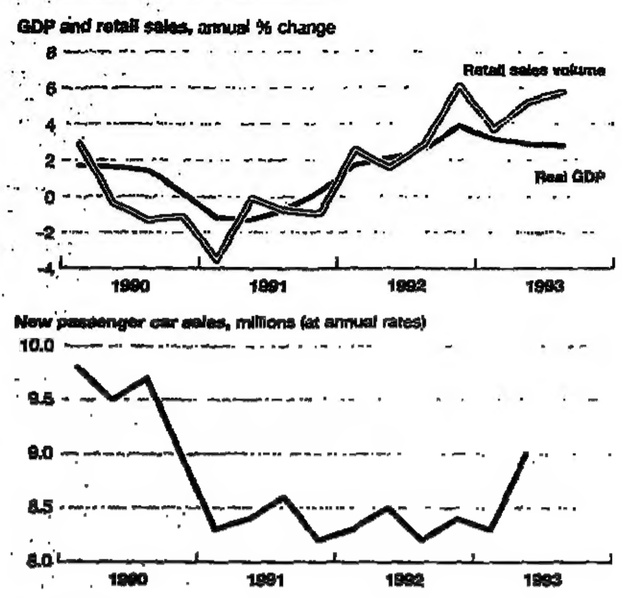
"The market's pessimism about the inflation outlook is hard to understand," muses Mr Jack Beebe, director of research at the Federal Reserve Bank of San Francisco. He says inflationary pressures have been gradually squeezed out of the economy in the past four or five years and predicts that consumer prices will rise less than 3 per cent this year and by only about 2.5 per cent next year. Barring 1986, when the collapse of oil prices temporarily depressed inflation, this would be the best outturn since the mid-1960s.

Figures out this week threw frustratingly little light on underlying trends. The producer price index fell more sharply than expected last month but consumer prices registered their biggest gain for six months – and the increase could not be entirely explained by higher petrol taxes. However, if Mr Beebe's optimistic forecast does prove correct, bond prices are likely to rally again, pushing yields back below 6 per cent.

Meanwhile, a short-term acceleration of economic growth is unquestionably under way. Gross domestic product grew at an annual rate of 2.8 per cent in the third quarter; excluding the negative effect of flooding in the mid-west, growth would have been about 3.5 per cent. This compares with disappointing annual rates of expansion of 0.8 per cent and 1.9 per cent respectively in the first and second quarters.

Economic statistics released in the past few weeks suggest the economy will be stronger still in the current quarter; the annual rate of growth could easily exceed 4 per cent. The sharp fall in long-term interest rates is the first half of the year appears to have given interest-rate sensitive sectors of the economy a powerful stimulus.

US climbs out of recession



Source: Datastream

New home sales, for example, rose to a seven-year high last month. More new and existing homes are being sold than at any point in the Reagan boom of the 1980s, despite adverse demograhic trends.

A 20 per cent vacancy rate is still holding back construction of new offices, but supermarkets are again under construction as are industrial structures.

Led by heavy purchases of computers, real business equipment investment grew at an annual rate of 9 per cent in the third quarter after double-digit increases in preceding periods. After allowing for inflation, consumers' purchases of durable goods grew at an annual rate of 7.5 per cent. Vehicle sales soared to a four-year high last month.

Other reliable barometers of economic health are also flashing green. The Purchasing Managers' Index – a guide to the fortunes of manufacturing industry – rose more than four points last month to 53.8 per cent, the highest level since February. Payroll employment rose 177,000 in October, more than analysts expected; factory overtime hours are at an all-time high while the average length of the work week is higher than at any point since the second world war. The slight rise in jobless – from 6.7 per cent to 6.8 per cent – was, paradoxically, also a sign of strength because it reflected a big increase in the number of people actively seeking work.

The big question, of course, is whether the more rapid growth can be sustained. The recovery of the past two years has been saw-toothed with periods of robust growth followed by near stagnation, as occurred at the beginning of this year.

Nearly all forecasters agree that the economy cannot sustain growth at an annual rate of above 4 per cent. The consensus view is that growth will fall back to an annual rate of about 3 per cent next year. But some analysts are more pessimistic.

"I'm sceptical that a faster recovery has really taken hold," says Mr Bob Giordano, chief economist at Goldman Sachs in New York. He predicts that growth will decline to an annual rate of only about 2 per cent in the first half of next year.

He points out that growth is currently being boosted by temporary factors such as a run-down in personal savings and warns that the neutral fiscal stance of the past two years will turn contractionary in the new year as tax increases in the Clinton budget begin to bite on higher-income households.

Defence cuts, corporate restructuring and weak overseas economies, meanwhile, will continue to exert a negative pull on US growth.

Optimists will reply that US productivity trends are surprisingly strong. Productivity rose at an annual rate of 3.9 per cent in the third quarter and has grown at an average annual rate of 2.3 per cent since the end of the recession, considerably faster than in the upturn of the 1980s.

This lends credence to projections by Mr Beebe and others that the cycle of disinflation is not yet complete.

Venezuela poll leader vows to scrap reform

By Joseph Mann in Caracas

THE LEADING candidate in next month's presidential elections in Venezuela, Mr Rafael Caldera, announced a policy platform yesterday that rejected market reforms introduced in Venezuela since 1989.

He also called for talks to ease the terms of the country's "oppressive and unjust" public sector foreign debt.

Mr Caldera, 77, said his "first step" as president would be to address the fiscal deficit by reducing spending in the 1994 government budget. However, this would not be achieved by firing public employees or cutting wages, he added.

The candidate, president from 1969-74, said he would raise government revenues by improved tax collection. In addition, "Those who earn more and have more will pay more taxes". A recently-introduced value added tax, which the candidate called "unfair" to consumers, would be repealed, he said.

Referring to business appeals for reforms in rules governing employees' accumulated severance pay benefits, Mr Caldera said any changes accepted by the workers would be approved by his government.

Venezuelans are scheduled to vote for a new president, National Congress and state legislatures on December 5. Mr Caldera, running as an independent with the support of 16 small political parties, has been in the lead over the last few months in most published public opinion polls.

However, political analysts say a large number of voters are still undecided, and that these votes could change the election's outcome.

In other policy areas, Mr Caldera said he would:

- Call for reforms of the constitution, including the establishment of referendums to approve leading policies and remove public officials (including the president) from office.
- Reform government, including public administration, the justice system, education, health and agriculture.
- Continue the process of decentralisation, but only if it produces greater efficiency in government.

Argentina to sign N-treaty

By John Barham in Buenos Aires

ARGENTINA's congress has finally ratified the 1967 Tlatelolco Treaty banning nuclear weapons from Latin America, breaking with its previous conviction that the treaty discriminated against developing countries' nuclear programmes.

The ratification, on Wednesday night, is part of Argentina's wider, pro-western foreign policy strategy. At US insistence, it scrapped its Condor II missile project in 1991, considered a proliferation threat, and has applied to join the Missile Technology Control Regime.

Argentina and Brazil had attempted to develop independent nuclear weapon capabilities in the 1960s and 1970s, when both countries were ruled by military governments. However, technical and financial limitations aborted the programmes. They were formally scrapped with the return to civilian rule in the early 1980s.

In November 1990 Argentina and Brazil agreed to bilateral procedures for accounting for nuclear materials and inspections of each other's installations, in addition to safeguards by the Vienna-based International Atomic Energy Agency. They agreed to ratify Tlatelolco after its inspection clauses were modified to protect industrial secrets.

The Foreign Ministry says Argentina also plans to sign the Nuclear non-Proliferation Treaty, which controls nuclear materials at world levels. Like Tlatelolco, successive civilian and military governments once considered the NPT a discriminatory imposition of rich countries.

Argentina has two small nuclear power stations and a struggling civilian nuclear industry. The government plans to privatise the Atucha I and Embalse power stations as well as the Atucha II unit once construction is complete.

Deregulation helps farmers and industry

ARGENTINA'S industry and farmers emerge as the main beneficiaries of the sweeping deregulation programme the government started four years ago, says a recently-published study, writes John Barham.

The report found that the elimination of taxes, fees and red tape has saved the traded goods sector, principally industry and agriculture, some $495m (£335).

Far from suffering from the elimination of taxes, government revenues should rise slightly, by about $322m over the next three years, due to increased economic activity.

The study, by Mr Eduardo Sguiglia of the Economy Ministry, and Mr Ricardo Delgado, an economic journalist, is the first attempt to quantify the impact of deregulation.

Deregulation began with the first emergency measures taken to halt hyperinflation in 1989, shortly after President Carlos Menem took office. The programme took on greater impetus following Mr Domingo Cavallo's appointment as economy minister in January 1991.

It is one of the main features of Mr Cavallo's policies, which include privatisation of all state companies, trade liberalisation and tax reform.

Mr Cavallo scrapped dozens of rules, regulations and statutory bodies that had grown up over the past 60 years. Excessive bureaucracy was one of the causes of Argentina's economic decline and had led to widespread corruption.

Deregulation benefited exporters, struggling with an overvalued fixed exchange rate, with a 3 per cent improvement in competitiveness.

Charges at the port of Buenos Aires, once among the most expensive and least efficient in the world, have fallen by up to by one-quarter. Farmers, combatting low commodity prices as well as the exchange rate, saw a 6-8 per cent increase in income.

Deregulation is attracting investment to industries such as mining and fishing that were once off-limits to foreign capital.

Financial markets boomed as tax and regulatory burdens were removed. Last year, corporate bond issues hit almost $2bn – about 16 times more than in 1990, before deregulation. The insurance industry grew by half in 1991-92.

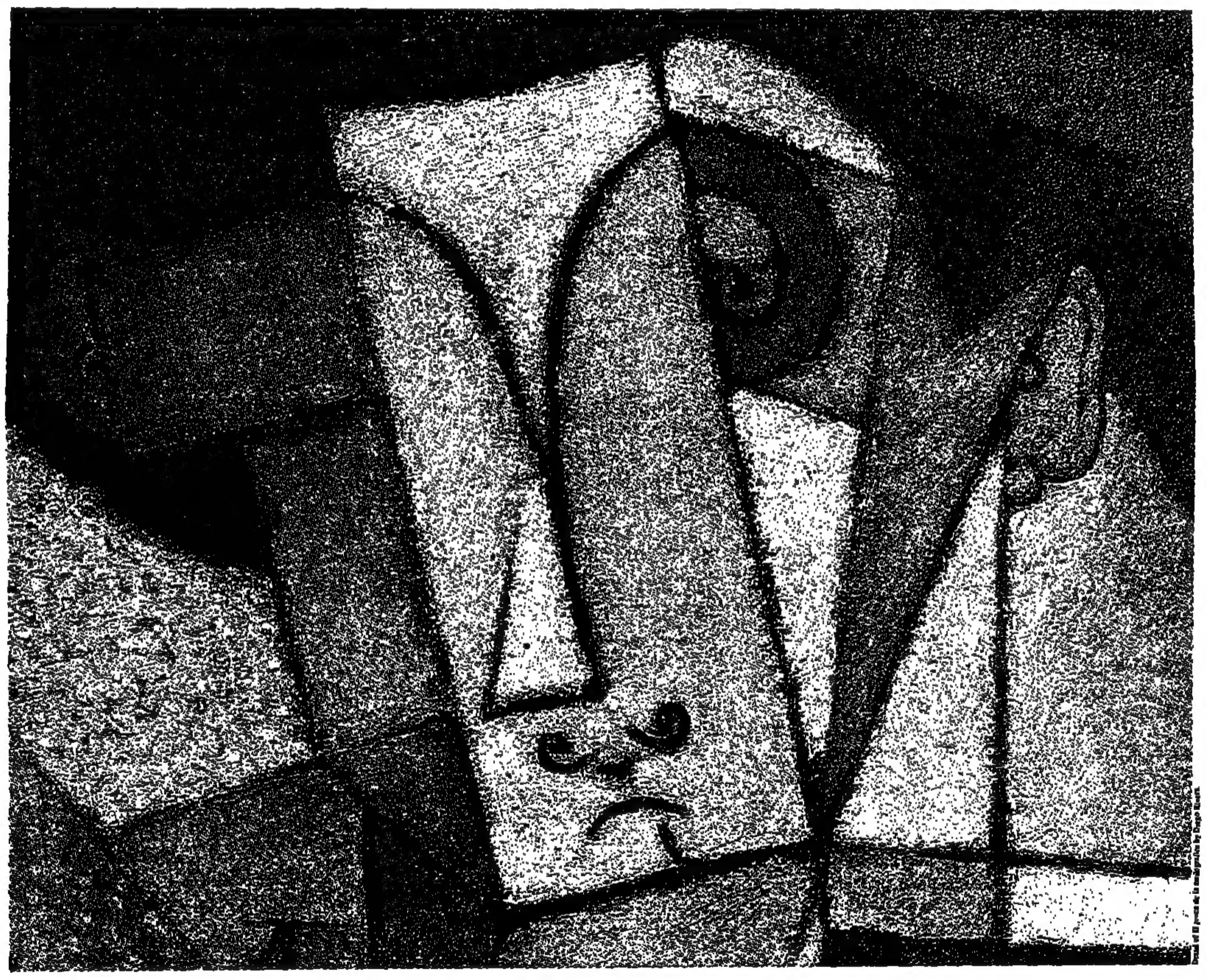
The authors recognise it is hard to tell exactly how much of this growth is due specifically to deregulation and how much is to wider economic liberalisation.

The macroeconomic impact of deregulation measured by the study appears relatively slight, in spite of its big impact on individual sectors. The $495m transfer to the traded goods sector is equivalent to just 0.2 per cent of gross domestic product.

However, Mr Sguiglia says the effects of deregulation are only just beginning to be felt. Experience in other countries indicates it takes about six years to take full effect.

The authors warn the deregulation process is still far from complete. Argentina's competition, bankruptcy and consumer protection laws are archaic. Remaining regulatory bodies must be strengthened. Informal oligopolies are successfully resisting competition.

The report criticises the often improvised nature of the deregulation plan and poor sequencing. This forced the government to retreat in some cases, such as its attempt to limit the privileges of the pharmaceutical industry.



Tense debate on austerity grips Beijing

By Tony Walker in Beijing

CHINA'S tense debate over curbs on an overheating economy surfaced in the official press yesterday with a spirited defence of the austerity-reform programme of Senior Vice-Premier Zhu Rongji.

Chinese newspapers featured prominently remarks by a deputy governor of the People's Bank claiming success in the austerity campaign as the Central Committee of the ruling Communist Party was due to begin discussions in Beijing of a new reform programme.

Mr Dai Xianlong, the central bank official, said bluntly: "In recent months China's financial departments have been blocking evil ways while opening correct roads." Mr Zhu and his team at the central bank, who have been presiding over a squeeze on credit in an effort to combat inflation, have been accused of stifling state enterprises, some of which are having difficulty paying workers.

Reports circulated in Beijing that Mr Zhu is in trouble politically for having pushed too hard with his economic stabilisation programme. But while there is no doubt he has offended powerful officials in the state sector and the provinces, there appears no alternative to his prescription for the economy.

This combines a squeezing of credit to "hot money" areas such as real estate with a redirection of funds to infrastructure, combined with determined efforts to reform China's inefficient financial system.

Mr Dai's remarks seem designed to claim victory for bringing the economy under control (inflationary pressures eased slightly in September), and to offer reassurance that the central bank is sensitive to the plight of state industry.

He said that, starting in August, the central bank had eased credit restrictions. In the first 10 months of the year banks had provided Yuan 30bn (£3.4bn) more in loans than in the same period last year.

Mr Zhu, who also doubles as central bank governor, is certain to face sharp questioning at the Central Committee meeting over hardship caused to the state sector. The session is expected to last until the weekend, although true to tradition no details of when it would actually meet or how long it would sit have been released officially in advance.

The plenum will approve sweeping reforms in finance, taxation, trade and investment. Among important reforms is a new federal tax system designed to improve sharing of revenues between the centre and the provinces.

Mr Dai blamed lax policies earlier in the year for allowing an explosion in credit which had helped to fuel inflation. Money in circulation in June on an annualised basis had grown 54 per cent, the highest monthly rise ever. Mr Li Guixian, the previous central bank governor, was sacked in June and replaced by Mr Zhu Rongji. Among Mr Li's patrons was Premier Li Peng, who suffered a heart attack in April, undergoing a long convalescence.

The unusual public criticism of the previous regime at the central bank indicates that the leadership has been engaged in argument about implementing Mr Zhu's austerity package. He announced a 16-point plan in July to combat inflation and bring order to China's chaotic finances. Pressure was exerted on faltering state industries by squeezing credit.

China and Russia yesterday agreed to hold regular military exchanges, Reuter reports from Beijing. But visiting Defence Minister Pavel Grachev said sensitive arms sales to Beijing must be discussed at a higher level. Deputy Prime Minister Alexander Shokhin visits China soon.

Odd man out spurns Apec's US "party"

Malaysia's Dr Mahathir plans to stay away from Seattle next week, writes Kieran Cooke

DR Mahathir Mohamad, Malaysia's prime minister, is not afraid of being the odd man out.

Next week, representatives of 15 nations in the Asia Pacific meet in Seattle under the auspices of the Asia Pacific Economic Co-operation forum (Apec).

After a preliminary ministerial meeting, President Bill Clinton, as host, is due to hold an informal summit with other leaders. With several prime ministers and presidents in attendance, plus 2,000 of the world's media, get together will be the highest level confab ever held in the region.

But Dr Mahathir will not be there. The US, says Dr Mahathir, is trying to hijack Apec and set an agenda for the less powerful nations of east Asia to follow.

"I would have been happy to go to the summit if the proposal had come from Apec itself and had been debated and approved," says Dr Mahathir. "But this is undemocratic. Only one nation has decided to have a summit and everyone is supposed to go along."

Apec was formed in 1989. Initially, membership comprised the six countries of Asean, the US, Canada, Japan, South Korea, Australia and New Zealand. In 1991, the "three Chinas" joined – China, Hong Kong and Taiwan, which is referred to as Chinese Taipei.

Dr Mahathir says Apec should remain a loose grouping principally concerned with helping the development of the Asia Pacific's weaker economies. Dr Mahathir, who has increasingly taken on the role of spokesman of the world's smaller nations, says Apec should include all countries on the Pacific rim, including Chile, Ecuador and Peru.

Apec, says Dr Mahathir, should not be turned into a trade bloc, a free trade area or an economic community like the EU, serving the interests of the economically strong countries involved. Yet, according to Malaysia, this is precisely what is happening.

"It [Apec] looks like some kind of a foreign guided jamboree with an imperialistic odour which may be politically exclusive," says Mr Ghazali Shafie, a former Malaysian foreign minister.

There is some support for Malaysia's views. The Asean countries do not want their organisation to be overwhelmed by any new Apec structure, though some, such as Singapore, are fervent Apec supporters.

Washington has denied any plan to turn Apec into a formal trade group, but Asean and other countries in the region are concerned that the US might try to use the threat of more concerted Apec action to force the pace of Gatt negotiations and win trade concessions from Europe.

Washington has emphasised the growth in trade taking place in the Asia Pacific region.

"In 1991, our two-way trade across the Pacific exceeded \$310bn (£205bn)," says Mr Paul Wolfowitz, a former US under secretary of defence. "That's one third larger than our trade with Europe. The US exports more to Malaysia than to the countries of the former Soviet Union: more to Indonesia than to eastern Europe and more to Singapore than to Spain or Italy."

While east Asia has benefitted considerably from this growth in trade, it does not want Apec to be seen as any sort of alternative to Gatt.

"The last thing we want is to become a bargaining chip between the US and Europe," said one Asean official.

Malaysia has been pushing for the formation of an East Asian Economic Caucus (EAEC) to counter what it sees as the emergence of trade blocs like the EU and Nafta.

This, in many ways, would run counter to Apec, grouping Asean countries and the economies of north-east Asia including Japan and China, but excluding the US and Canada, a grouping one commentator referred to as a "caucus without the Caucasians".

Mahathir: not to be guided

The EAEC was first suggested by Dr Mahathir in mid-1991 and has since become a central part of Malaysia's foreign and trade policy.

Dr Mahathir was personally offended when Mr James Baker, the former US secretary of state, dismissed the idea of an EAEC, saying it would "draw a line down the Pacific" with the US on one side, and Japan and the other Asian economies on the other.

While Malaysia has succeeded in placing the EAEC on the Asean agenda, the idea has only so far had a luke warm response from countries in the region. Apec is still considering whether the EAEC should form an integral part of the organisation.

Japan has so far been noncommittal: on one hand Tokyo wants to safeguard its estimated \$33bn investments in the Asean economies, but on the other it does not want to upset its already delicate trading relations with the US.

Dr Mahathir shows no sign of giving up on the EAEC. Mrs Rafidah Aziz, Malaysia's outspoken and fiery minister of trade, will be in Seattle pushing Dr Mahathir's views.

Apec will go ahead without the Malaysian prime minister. But Dr Mahathir has made it clear he will continue to be critical – and continue with his rival scheme for a grouping of east Asia's dynamic economies.

Double economic boost for South Africa

By Philip Gawith in Johannesburg

SOUTH AFRICA yesterday received a double economic boost with the release of third-quarter GDP figures showing quarter-on-quarter growth of 8.2 per cent and the production price index for September falling to 5.5 per cent, the lowest level since January 1972.

Economists said yesterday that the country's four-year recession had probably ended in the middle of the year with the third-quarter GDP figures following growth rates of 1.5 per cent and 5.5 per cent respectively in the previous two quarters.

Mr Dave Mohr, chief economist at the Old Mutual, South Africa's largest life office, joked: "We're combining Asian growth rates with G-7 inflation!"

The GDP figures were better than expected, though recent figures on retail sales, manufacturing production and car sales had hinted at an upturn. Most companies that have reported recently say they expect little meaningful growth before the second half of next year.

As with the previous two quarters, most growth sprang from an improvement in agricultural production which grew at an annualised rate of 196 per cent. One feature was the 2 per cent annualised increase in non-farm GDP. Mr Mohr said it was the first time since 1988 that the economy had gone for three quarters without major negative growth on the non-farm side. Manufacturing growth was 5.5 per cent.

The recovery remains fragile, with the Central Statistical Service (CSS) pointing out yesterday that the average level of the total seasonally adjusted real GDP for the first nine months of 1993 was 0.4 per cent below the equivalent figure a year ago, an indication of the low base from which these quarterly growth rates were achieved.

Mr Mohr said the inflation figure confirmed that inflation was probably lower than originally thought and economists were revising their forecasts downward. This view was supported by last month's cut in interest rates. Consumer inflation was likely to average about 9.5 per cent in 1993 and would be lower in 1994.

Associated Press

AUSTRALIA REMEMBERS. An unknown Australian soldier killed on Europe's World War I Western Front is interred in the Hall of Memory, Canberra, yesterday. The body was exhumed from a war cemetery in Northern France and returned home last weekend.

Australia jobless rate jumps to 11.2%

By Nikki Tait in Sydney

THE Australian jobless rate jumped to 11.2 per cent last month despite a strong rise in total employment, official figures released yesterday show.

This is highest level since December 1992 and the jump is certain to step up pressure on the federal government to address Australia's long-term unemployment problem.

The figures showed that the seasonally-adjusted jobless rate had risen from 10.9 per cent in September. This increase came despite a strong rise in total employment in October, which most analysts interpreted as a sign the economy is strengthening. Some 32,200 jobs were added.

However, job-seekers entered or returned to the labour force in even greater numbers, and the total number of unemployed people rose to 982,000. On a regional basis, unemployment rates were either steady or higher in most states. Western Australia was the one exception, posting a decline to 9 per cent.

"It's about time the prime minister made unemployment his number one priority," Mr Michael Woolridge, Liberal deputy leader, said.

Protests in Lagos at 700% petrol price rise

By Paul Adams in Lagos

THOUSANDS of demonstrators took to the streets of Lagos and halted traffic on the city's main road in protest against a 700 per cent increase in the petrol price, introduced on Monday by the country's military-backed interim government.

The decision is likely to prove a critical test of the authority of Chief Ernest Shonekan, Nigeria's civilian head of state. Removing the petrol subsidy is an essential part of government efforts to revive a lapsed structural adjustment programme, and pave the way to an agreement with the International Monetary Fund and rescheduling of the country's external debt of more than \$30bn.

But the highly unpopular move could well upset Nigeria's fragile stability and lead to an upsurge in opposition, particularly in Lagos and the south west, stronghold of Chief Moshood Abiola, winner of last June's aborted presidential poll.

Speaking in the capital Abuja yesterday, Mr Shonekan made clear his determination to press ahead with economic reforms, and stressed the need to cut government spending and reduce the budget deficit.

"Despite political and legal obstacles, we will still go along to carry out our mandate," he said: "The interim government may be a child of circumstance, but it is high time we came to terms with the reality of our circumstances."

However the fuel price increase looks likely to provoke a further damaging confrontation with the trade unions, which brought Lagos to a halt earlier this year in protest at the cancellation of the presidential poll and the extension of military rule until fresh elections promised for February next year.

Yesterday the Nigerian Labour Congress warned that it would call for a strike on Monday unless the price increase was rescinded.

Demonstrators were also celebrating a ruling on Wednesday by the Lagos High Court that the former military leader, Gen. Ibrahim Babangida, had appointed Mr Shonekan as head of state hours after the general had himself resigned, making the appointment technically illegal.

Leading Indian industrialists call for reforms

By Stefan Wagstyl in New Delhi

LEADING Indian industrialists have appealed to the government for measures to help them raise capital for their listed companies without over-diluting the founding families' shareholdings.

Eight entrepreneurs, the heads of some of India's largest companies, presented their demands on Wednesday in a report to Mr Manmohan Singh, the finance minister. Their proposals include permission for companies to issue non-voting shares and to buy stock at large discounts to stock market prices as well as changes in tax laws.

The appeal follows a month of meetings of conservatively-inclined industrialists at which concerns were raised about parts of the government's economic liberalisation programme. The businessmen, dubbed the Bombay Club after their first meeting in Bombay, have been accused of wanting a slowdown in reform and protection against foreign competition.

The entrepreneurs themselves deny this and say they support the pace and direction of liberalisation.The members of the Bombay Club include Mr Hari Shankar Singhania, chairman of the Delhi-based JK Organisation, and Mr LM Thapar, chairman of Ballarpur Industries, a top papermaker.

Their chief concern is that the state-owned financial institutions which dominate the Indian stock market have permitted multinationals to raise their stakes in Indian affiliates from 40 per cent to 51 per cent by issuing stock at discounts of up to 90 per cent. Institutions have indicated they would not permit Indian companies to make similar cut-price issues.

The report to the finance minister also proposes permission for shareholders to pledge stock as security for bank loans, easing limits on corporate borrowing and permission to issue non-voting stock.

● Foreign companies have secured government approval for direct investments worth Rs61.1bn (£1.3bn) in the first nine months of 1993, compared with Rs5.3bn in 1991 and Rs38.9bn last year.

The government said this was an unprecedented response to the new industrial policy from foreign investors, who had now pledged Rs104.1bn since reforms started in mid-1991. More than 90 per cent of the capital was intended for priority sectors such as power and oil refining or high-technology projects.

Jordanian delegation in Israel for secret peace negotiations

By Julian Ozanne in Jerusalem

A SEVEN-MAN Jordanian economic delegation is reportedly holding secret talks in Jerusalem with government officials and Israeli businessmen to iron out details of a secret Israeli-Jordanian peace agreement which focuses on economic co-operation between the two states.

According to the newspaper Maariv, the delegation is being led by the businessman who has the concession to operate Jordan's Aqaba port and includes representatives from Jordan's two leading banks, financial advisers and experts on sea and land transport. The delegation, which crossed the Allenby bridge into Israel on Wednesday, will also visit Israel's port at Eilat.

The arrival of the delegation follows statements by Israeli government ministers and officials that an agreement has already been negotiated and initialled during secret talks between Mr Shimon Peres, Israel's foreign minister, and King Hussein and Crown Prince Hassan of Jordan in Amman last week.

Foreign Ministry officials have refused to deny or confirm the meetings but have said they only expect the agreement to be signed early next year. Israel radio reported yesterday that King Hussein had asked Israel and the United States to "put an end to the media festival" surrounding the secret deal.

In return for signing, Jordan will apparently received relief from the US on its \$6.5bn (£4.3bn) external debt beginning with \$360m of military debt.

Mr Yitzhak Rabin, Israeli prime minister, who is visiting Washington for talks with President Bill Clinton and the US Congress will press American leaders to help with Jordan's indebtednessand to arrange a possible signing ceremony in Washington. King Hussein is expected to visit Washington within weeks.

Under the Israeli-Jordanian agreement the two countries will open their borders, establish full diplomatic relations and start a series of joint projects in tourism, transport and energy. Disputed Israeli-held land around the Dead Sea and Arava desert will be formally handed to Jordan but leased back to Israel for along-term at a nominal price.

In anticipation of a signing Israel disclosed yesterday that it was already planning air and road links to Jordan. Israel's Arkia airline said it was ready to fly to Amman within 24 hours of being allowed to do so. The director of Israel's national public works said plans for a \$100m 60km highway linking Jerusalem to Amman were also complete.

Pakistan secures \$1.5bn in World Bank and IMF loans

By Farhan Bokhari in Islamabad

THE Pakistan government said yesterday it had finalised agreements to secure new loans worth \$1.55bn (£1.02bn) from the IMF and the World Bank over the next three years. The boards of both institutions and the Pakistani cabinet still need formally to ratify the deals but the formal announcement is expected early next year.

Mr V A Jaffery, the prime minister's adviser on finance and *de facto* finance minister, told journalists, an agreement had been reached to provide "assistance under the Enhanced Structural Adjustment Facility (ESAF) and the Extended Finance Facility (EFF) from the IMF, and PSAL (Public Sector Adjustment Loan) from the Bank".

He said that the government expecved to achieve a gross domestic product growth rate of at least 6.5 per cent a year, reduce inflation to 5 per cent and strengthen its international reserves significantly over the next three years.

It must also reduce the burden of domestic and foreign debt. Foreign debt rose to \$23bn – \$18.5bn long term and \$4.5bn short term – at the end of June 1993.

The announcement provided fresh signs that many reforms introduced by Mr Moeen Qureshi, the former prime minister, will remain on track. Mr Jaffery said the government had committed itself to continue with measures to improve tax collection, reduce tariffs, privatise state enterprises and deregulate the economy.

In response to questions on whether the inflation reduction target was a realistic one, Mr Jaffery said: "It is not an impossible target to achieve", adding that the government had three years to do so.

However, some officials privately expressed concern over the viability of such a commitment.

Israel-Syria outline peace pact 'likely soon'

By Roger Matthews and Mark Nicholson in Cairo

EGYPT believes an outline peace agreement between Israel and Syria is achievable by the end of this year.

President Hosni Mubarak, Mr Amr Moussa, foreign minister, and Dr Osama el Baz, the president's top political adviser, have been encouraged by recent meetings with Syrian and Israel leaders and now hope their unofficial date for a breakthrough can be met.

Mr Moussa said in an interview with the Financial Times that the progress in the negotiations between Israel and the Palestine Liberation Organisation meant the issues separating Israel and Syria could be addressed with more urgency.

"We are making progress although I would not yet say that a deal is close. We have set a target date for the end of this year for the signing of a document on which both sides can agree," Mr Moussa said. He rejected the contention by Prime Minister Yitzhak Rabin of Israel that more time was needed for Israeli public opinion to take in the contents of the deal with the PLO.

"We believe a good deal between Israel and Syria could be absorbed and would be digestible. Our task is to get a good deal acceptable to public opinion on both sides. We are talking about a matter of months before all tracks are on the road to agreement."

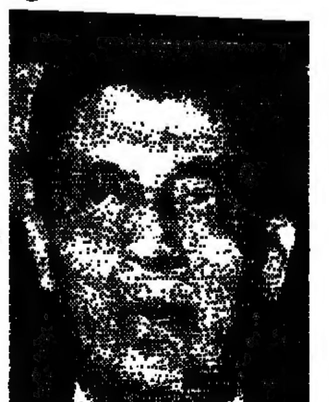
He declined to say how the breakthrough might occur, and conceded Syria retained some suspicion over Israel's intentions, but said: "There is always the track in Washington, but there is more than one way to do something like this". He refused to elaborate if this meant that other meetings were taking place or planned.

But he stressed it was critical for Israel and the PLO to meet the December 13 target date for the start of an Israeli troop withdrawal from the Gaza strip and the West Bank town of Jericho; he believed they would meet the deadline.

Mr Moussa, who helped broker the resumption of these talks in Cairo last week, said they are now proceeding "in a fine way, in a good way". The PLO-Israeli discussions continue in the Egyptian town of Taba on Monday.

"It is vital that Taba succeeds. It is the cornerstone for all other developments. It is the litmus test. They have no other option but to reach agreement." He expressed confidence in the "tactical prowess" of Mr Yassir Arafat, the PLO leader, even if it only appeared "at the eleventh hour. This man understands the meaning of the documents that have been signed. He understands very well the requirements of the moment."

The essence of an Israeli-Syria deal was clear. "It has to be a full and total Israeli withdrawal from the Golan Heights and a full peace. Neither party would accept less than is in the Israel-Egypt agreement". The Israeli withdrawal could be phased, but "the phasing should be reasonable; we can't talk about five years or so, it must be a matter of months."



Moussa: quietly confident

He also warned Israel against attempting to exercise any form of economic domination over the West Bank and Gaza.

Asil Nadir lodges bribery allegation

By John Murray Brown in Ankara

MR MICHAEL JORDAN, administrator to Polly Peck International, the collapsed fruit to electronics group, yesterday appeared before the Istanbul public prosecutor's office to answer questions relating to allegations of bribery by Mr Asil Nadir, PPI's former chairman.

Mr Jordan and Mr David Kidd of Coopers and Lybrand, the UK auditors, were visited by police in their hotel room in the Ciragan Palas Hotel late on Wednesday night.

Police took their passports and they were requested to appear the following morning, when they were questioned for 3 hours.

The prosecutor's move follows a complaint lodged by Mr Nadir's lawyer connected with the continuing dispute over ownership of A.N. Graphics, an Istanbul printing concern claimed by the administrators. Sources confirm the company was transfered to Mr Nadir for "nil consideration," just 3 days before the courts appointed the administrators in October 1990.

The bribery allegations relate to an internal memo, a copy of which Mr Nadir released yesterday. The administrators concede that the memo deployed what one official called "loose wording," including reference to the need for bribes to the customs to release a disputed piece of printing equipment belonging to A.N. Graphics.

On Wednesday, Ali Riza Gorgun, Mr Nadir's lawyer in North Cyprus said the Turkish prosecutor had issued a warrant for the arrest of all three administrators Mr Jordan, Mr Richard Stone and Mr Christopher Morris. However a spokesman for Mr Jordan said he had visited the police "voluntarily". Mr Jordan was due back in London last night.

The incident forced Mr Jordan to cancel a trip to northern Cyprus to attend court hearings in Nicosia today on the injunctions over the various PPI companies on the island. The hearing was cancelled.

"This is a minor attempt to put a spanner in the works in an effort to forcibly postpone Mr Jordan's visit to Cyprus," said an official.

However it marks the latest tactic adopted by Mr Nadir in his attempts to block the administrators access to Poly Peck companies. Mr Nadir jumped bail in May fleeing the UK where he faces charges of theft and false accounting.

Seventy-five years after the Armistice which ended the First World War, hundreds of old soldiers like the Chelsea pensioners pictured above, gathered for a solemn service of remembrance at Westminster Abbey in London. The 2,000-strong congregation and hundreds outside stood in silence as the chimes of Big Ben echoed to mark the 11th hour of the 11th day of the 11th month. After the service the Queen Mother, who was 18 when the Great War ended, placed a cross in the Field of Remembrance outside the Abbey

Saville Row cuts a global figure

By Daniel Green

GENTLEMEN need no longer go to London's Savile Row to buy a £2,000 suit. Savile Row will go to them.

Britain's top gentleman's outfitters are travelling the world to find customers. Sales by Savile Row tailors on trips overseas account for about 70 per cent of turnover – two years ago they were less than half, according to the Federation of Merchant Tailors.

The itinerants have been trying to shake off the fall in the number of international aircraft passengers after the Gulf War, and the recession.

"I used to spend six weeks a year overseas, now it is more like three months, says Mr Peter Ferguson-Smith, the Federation's president and managing director of tailors Kilgour, French and Stanbury.

He flies between Abu Dhabi, Frankfurt and Beverley Hills in the struggle to drum up sales of suits. Prices start at £1,490 and options include a special cut to disguise the bulge of a revolver.

Mr Angus Cundey of tailor Henry Poole says: "On Monday I am piling my cloth samples into the Volvo and driving to Paris. I'll be seeing Mr Balladur [the French prime minister] and about 60 other people next week."

If the trip is too far for his car, Mr Cundey will get a trunk of samples delivered to his hotel room, which becomes a shop for the duration of his stay.

The phenomenon of the travelling Savile Row tailor is not new. In 1851, Henry Poole went to Paris to measure up Napoleon III for a suit. Until 1940 the company had branches in Vienna and Berlin and the post war years saw the popularity of Savile Row among rich Americans.

All that has changed. "Fewer businessmen are coming to London," Mr Cundey says. "French businessmen are coming far less frequently. That goes for all the Europeans. They fly in and fly out and they don't have time to see their tailor."

EU rules clash may alter code

By John Authers

A CLASH between two European directives could force a revision of UK government policy on compulsory competitive tendering by local authorities.

Many UK authorities now advertise contracts on the basis that Transfer of Undertakings (Protection of Employment) regulations of 1981, known as TUPE, will apply.

These effectively require any bidder to maintain the same workforce on the same wages and conditions of service.

However, the European Commission believes that this might clash with the procurement directive, introduced as part of the implementation of the European "single market", which forbids authorities from forcing bidders to use local labour forces.

The Commission raised the issue, according to the Local Government Chronicle, the specialist journal, after it saw an advertisement published in the Official Journal of the European Communities by Croydon borough council tendering its financial services work.

This made it a prior condition that the council's existing staff would be transferred to the bidder. Croydon confirmed that the commission had queried the advertisement.

Mr Cliff Davis-Coleman, of Clause 26, a lobby group for contractors, said the commission's stance could sweep away the serious obstacle which TUPE poses to private contractors.

"If the commission insists that this is indeed a local labour clause then the environment department will have to amend its advice for the Next Steps initiative and for compulsory competitive tendering," said Mr Davis-Coleman.

Britain in brief

Most take early option on retirement

The vast majority of workers begin drawing pension benefits well before they reach their official retirement ages of 60 or 65, according to a survey of leading UK pension schemes.

The survey, conducted by Incomes Data Services, the employment issues research service, found that over eight out of every 10 employees retired before reaching the "normal" pension age as defined by their scheme rules. Overall, two-thirds of recently retiring members went before the age of 60.

The findings have great significance for the government's policy on State pensions. It is considering raising the age at which women may begin receiving State pensions to 65 from 60 equal to that required for men. The survey noted that for schemes which do allow men to retire at age 60, there is a higher degree of "late" retirement since men have an incentive to keep working until their State pensions become available for income as well.

Ford pay talks in deadlock

Pay talks at Ford of Britain look set for deadlock last night after six hours of talks between the company and its unions. A small improvement was expected on the original offer of 1.8 per cent this year and 2.5 per cent next. Ford told the unions last month that it had lost more than £1m a day in Britain since 1990 and was expecting a further sharp fall in vehicle production this year as a result of economic weakness in Europe.

Warning over Lloyd's

Lloyd's of London may attempt to "bounce" loss-making Names into accepting an out-of-court settlement to legal disputes at the insurance market, the chairman of the biggest action group of loss makers warned. Mr Michael Deeny told the Gooda Walker Action Group's annual meeting that Names would soon "receive a barrage of mail warning you that this is the last offer of a settlement."

Too fat to fit

A 22-stone Liverpudlian fitter has been suspended from his job for being obese. The fitter, employed by NEI Clark Chapman in the Liverpool docks, has been sent home on full pay and told he can resume work when he loses two stone.

EDS-Scicon buys unit

EDS-Scicon, the information technology subsidiary of General Motors of the US, is to buy the organisation that provides computer services to the Department of Transport and its executive agencies.

It was chosen from a short-list of bidders that included Computing Sciences Corporation of the US and a consortium combining DVOIT managers and IBM of the US.

DVOIT, based in Swansea, was formerly the drivers, vehicle and operators information technology arm of the Driver and Vehicle Licensing Agency, which remains its largest customer.

It became a separate executive agency just over a year ago, with an annual turnover of about £26m and about 480 employees. It is the first agency to be privatised.

Offer clears distributors

Electricity distributors in England and Wales were cleared of anti-competitive behaviour in the high street electrical goods market.

But the twin rulings by the Office of Fair Trading and Offer, the electricity regulator, included a disclosure that the 12 regional electricity companies (RECs) had lost a combined £105m in that market over the three years since privatisation. Dixons, the electrical retailer which brought the complaint that triggered yesterday's rulings, said it felt its complaint was vindicated by these figures, even though the charge of anti-competitive behaviour was not upheld.

John Brown contracts

John Brown Engineering announced contracts totalling £150m for power station equipment in both Oman and Britain. The Trafalgar House subsidiary is to extend and modify a power station and water distilling plant at Ghubrah in Oman by adding a 250MW gas turbine plant.

Collector forks out on spoon

A 600-year-old spoon found in the thatch of a Devon farmhouse was lapped up by a private collector for £27,600.

Clinton bars Adams over 'terrorism link'

By Lisa Bransten in Washington and Jimmy Burns in London

PRESIDENT Bill Clinton has barred the latest attempt by Sinn Fèin leader Mr Gerry Adams to enter the US on the grounds of his alleged involvement with the IRA.

The White House yesterday confirmed that the decisoun had been taken even though Mr Adams declared reason for his planned trip was to explain his peace initiative with SDLP leader Mr John Hume.

In a letter to outgoing New York's Democrat Mayor Mr David Dinkins, which was published in yesterday's Irish Times, the US president says: "Credible evidence exists that Adams remains involved at the highest level devising IRA strategy .. [he] has still not publicly renounced terrorism."

According to a senior US administration official, President Clinton sent the letter to Mayor Dinkins on October 30.

The letter reiterated a policy decision in May this year not to allow Mr Adams into the US because of his association with terrorist organisations.

Mr Clinton pledged during his campaign to consider granting Mr Adams a visa, the official said. "We did consider it, and we decided against it."

Mr Adams' attempt to obtain a visa was rejected in part because he no longer serves as a member of parliament, according to the official.

A spokesman for Mayor Dinkins said he was disappointed with the president's decision.

In London yesterday, Sinn Féin's Northern Ireland chairman Mr Mitchel McLaughlin insisted the Hume-Adams plan represented the best chance for peace. The proposals link an end to IRA terrorism with a place at the negotiating table for Sinn Féin.

Mr McLaughlin said steps towards peace would be "dramatic and very quick indeed" if London embraced the proposals. He added that the IRA was not prepared to unilaterally cease violence but might scale down its operations while peace moves continued.

THE Ulster Unionist Party has told the government it is prepared to forge "close and visible links" with the Irish Republic as part of a Northern Ireland settlement, Tim Coone writes.

The proposals conflict sharply with a peace plan published yesterday by the Democratic Unionist Party, led by the Rev Ian Paisley, which rules out any role for Dublin.

The UUP's approach bodes well for the peace process launched two weeks ago by Mr John Major, the prime minister, and Mr Albert Reynolds, the Irish premier.

The Major-Reynolds initiative has shown signs of running out of steam as a result of unionist fears that Dublin is willing to talk to Sinn Féin, the political arm of the IRA.

However, officials said the UUP was showing signs of "positive thinking" which could contribute to a settlement in proposed round table talks between the two governments and Northern Ireland's four non-violent political parties.

Lottery licence to run until 2001

By Raymond Snoddy

THE licence to operate Britain's national lottery is to run for less than seven years, Mr Peter Davis, director general of the National Lottery announced yesterday.

The main licence for the lottery, designed to raise hundreds of millions of pounds for "good causes" - charity, the arts, sport, heritage and celebrating the millennium - will expire on March 31 in the year 2001. As the successful applicant will not be chosen until March or April next year and would be unlikely to be up and running before the late autumn of 1994, the licence runs for no more than six and a half years.

Mr Tim Holly, chief executive of Camelot, one of the declared bidders for the licence was disappointed yesterday: "I thought we would get between seven and 10 years."

Mr Davis made it clear yesterday that there would be a "very strong presumption" that there would be another competitive tender when the first licence runs out.

Lottery operators will have to recoup the cost of an investment likely to be in excess of £200m to set up the national system.

The Great British Lottery Company, a consortium that includes Granada said yesterday it accepted the length of the licence.

The director general is insisting that the lottery must be "tasteful" and avoid games and advertising likely to lead to addiction.

"What we want is an absolutely clean, respectable, stable image," said Mr Davis whose primary task will be to ensure the probity of everything to do with the National Lottery.

Mr Davis said his office would he investigating the background of all those applying to run the lottery and would call on information from a wide range of government departments.

"We must not have the wrong people running this lottery," the director general added.

The draft invitation to apply and draft licence makes it clear that applicants will have to provide plans for national coverage and a launch date. The lottery will have too be available in every local authority area six months after the national launch.

Church finance problems 'serious'

By Alan Pike, Social Affairs Correspondent

THE CHURCH OF ENGLAND faced "serious but not disastrous" financial problems as a result of an alarming decline in its assets, Dr George Carey, Archbishop of Canterbury, told its general synod yesterday.

"We have been living beyond our means for many years," the archbishop told a debate on a report into the conduct of the Church Commissioners, who are responsible for the church's investments. Total value of the commissioners' income producing assets declined from nearly £3bn in 1989 to £2.16bn last year, largely as a result of falls in the property market where the church has much bigger holdings than other investment institutions. In August a report from Coopers & Lybrand, accountants, commissioned by Dr Carey after reports in the Financial Times, criticised the commissioners' heavy speculation in property.

Rt Rev John Wayne, Bishop of Chelmsford, who chaired the Lambeth Group - a committee set up to consider the Coopers & Lybrand report - told the synod he did not seek to "minimise the seriousness of the situation" which investigations had revealed.

There had, said the bishop, been three principal problems:

- the commissioners increased an already large exposure to property, and then borrowed to finance speculative property investments;
- their assets committee failed to receive regular and accurate reports from executive management to enable them to control property developments adequately;
- the commissioners took on commitments to finance clergy benefits in excess of their financial capacity.

As a result of the drop in investment income parishes will have to meet more of their own costs and the church is examining ways of simplifying its organisational structure.

EU takes bigger share of brain drain

By John Authers

THE BRAIN DRAIN of qualified scientists and engineers from the UK is slowing down, but migration is concentrated on the highest quality staff "to the detriment of the UK," the Royal Society says today.

Between 1984 and 1992, 13.5 per cent of recently qualified British PhDs, chose to leave the country - almost identical to the migration between 1975 and 1985. There were small drops in the numbers of more senior staff leaving.

EU countries have gained in popularity as a destination compared to the US, suggesting closer integration of the UK and continental research communities.

Meanwhile, immigration to UK research groups increased from 2.9 to 4.8 per cent.

However, the Royal Society, Britain's premier scientific organisation, which produced the report jointly with the Royal Academy of Engineering, counselled caution because academics leaving tended to be of the highest quality.

While those leaving the UK did so for professional reasons to take up long-term posts, those arriving in the UK tended to be moving into short-term posts.

Returning British emigrants "overwhelmingly" did so for personal rather than professional reasons.

Chemistry has suffered the greatest increase in migration, with 16.2 per cent of recently qualified chemists leaving the UK between 1984 and 1992, compared with 12 per cent between 1975 and 1985.

Earth sciences saw the sharpest reduction in migration, from 23.6 to 12.7 per cent.

The report adds that the proportion of Fellows of the Royal Society who live abroad is continuing to rise.

The migration of scientists and engineers 1984-92. SEPSU Policy Study No. 8. Publication Sales Dept., 6 Carlton House Terrace, London SW1Y 5AG. £25 (£27 overseas).

Minister reveals style of Major's cabinet government

By Philip Stephens, Political Editor

THE TRANSFORMATION of the modern British cabinet from an executive into a reporting and reviewing body has been underlined with a rare analysis from a senior minister of the structure of government decision-making

Lord Wakeham, leader of the House of Lords and one of the longest-serving members of the present cabinet, said the delegation of decision-making to smaller groups of ministers was "an irreversible consequence" of the complexity of modern government. But offering the most comprehensive insiders' account of the workings of the cabinet, Lord Wakeham said that Mr John Major had halted one of the most controversial trends of Lady Thatcher's premiership.

The present prime minister had by and large avoided his predecessor's tendency to establish small ad hoc groups of hand-picked ministers to push through decisions. Instead Mr Major relied on the more formal - and now publicly-announced - complex of cabinet committees with their fixed membership of senior departmental ministers.

Speaking at Brunel University, west London, Lord Wakeham said that these committees, which embrace all of the main domestic and foreign policy issues have "authority to decide on behalf of the cabinet". They did so unless the relevant committee chairman took the unusual step of referring an issue to full cabinet.

But he coupled his public acknowledgement that by the time the full 22-strong cabinet filed into 10 Downing Street each Thursday morning most of main issues before them had been settled with an insistence that it maintained a vital role.

Cabinet was the forum in which a government established its collective identity: "That is a very important role. I think many commentators who bemoan what they see as the decline of the cabinet as a decision-maker fail to appreciate its significance as the cement which binds the government together".

Lord Wakeham, who chairs many of the key domestic policy committees, used much of his lecture to highlight the constraints on government decisions.

The detailed commitments contained in general election manifestos were departed from at the government's "peril". At the same time the prime minister was obliged to build a consensus among members of a cabinet representing different wings of his party, he said.

Lord Wakeham's lecture, which confirmed the pivotal role of the Treasury in all significant policy decisions, highlighted also the constitutional and practical limitations on the prime minister. Despite his obvious powers of patronage "it is just not practicable for the small team in the Downing Street complex of buildings to have the necessary depth of knowledge to drive policy forward across the whole field", he said.

Cabinet makers: George I left the cabinet alone to make decisions while Baroness Thatcher created 'ad hoc' committees

Out of the closet: the history of a body of influence

The Cabinet evolved from the medieval Privy Council which advised the monarch.

The Privy Council became clumsy and inefficient, and more importantly critical, and was eventually by-passed.

Charles II was the first monarch to consult a small group of Privy Council members, called the Cabinet because it met in the King's closet.

The Cabinet began to acquire a role and authority of its own when George I stopped coming to its meetings.

Decisions were taken to the King by one of the ministers present.

Gradually the Cabinet developed its role as the link between Crown and Parliament.

Getting the King to accept the "advice" of his Cabinet lead to a series of disputes.

The development of political parties meant that the choice of government and prime minister moved from the Crown to the electorate.

In modern times the Cabinet makes policy, has overall control of the government, and coordination if its departments.

The members of the Cabinet are in theory "collectively responsible" for decisions.

The Cabinet normally meets twice a week.

PROPERTY

Frankfurt in favour

The EMI decision is a boost for the city, says David Waller

The recent decision to locate the European Monetary Institute - forerunner of the European Central Bank - in Frankfurt is a small victory for the city's parlous commercial property market. But the greater battle still lies ahead: how to revive the country's depressed property sector.

The EMI will employ about 250 people and occupy 5,000 square metres of office space, a fraction of the average 220,000 sq m leased in Frankfurt in each of the past five years.

Yet, as Mr Robert Orr of surveyors Jones Lang Wootton in Frankfurt says, the EMI decision should inspire confidence at a time when the market is in the doldrums and the wider economy endures its worst recession in 50 years.

"The decision confirms Frankfurt's position in the financial world," he said. "Investors will be comforted by the knowledge that its future is secure. It will not lead to a rapid pick-up in the commercial property market but it will bring to an end the slide in values we have seen over the past 18 months."

Rents for prime properties in central Frankfurt have dropped by 21 per cent over the past 18 months, from DM95 a sq m to DM75 a sq m. The amount of commercial space likely to be leased this year will be about 200,000 sq m, less than the past five-year average but down from the 250,000 sq m leased last year and the record 320,000 sq m in 1991.

Other commercial centres in Germany's strongly regionalised economy have suffered similar declines; the sharpest falls have been in Berlin and Leipzig, where rents shot up on the back of speculative trading in the aftermath of German reunification in 1990, before dropping back steeply.

In cities such as Düsseldorf, Munich and Stuttgart, rents have also fallen but not so sharply. These cities will, for the immediate future, continue to suffer from the combined effects of regional economic weakness and a surplus of supply, as new buildings, commissioned before the downturn, come onto the market.

The decision to base the EMI in Frankfurt, the most international of Germany's business centres, will accelerate the tendency for foreign banks and other financial institutions to raise their profile in the Finanzplatz. At the same time, financial houses without a foothold in Frankfurt are likely to seek one.

Tony Andrews

The Hammering Man, an arresting work of sculpture outside Frankfurt's Messeturm, where Reuter has leased three floors

This process is already under way: Reuter recently announced its decision to take three floors of the Messeturm, while J.P. Morgan is to take 8,000 sq m in the former Finanzamt building in the centre of Frankfurt owned by Mr Dieter Bock, the entrepreneur best known in the UK as a big shareholder in Lonrho, the international trading group. The securities house S.G Warburg, Moody's, the credit rating agency, and A.T. Kearney, a US consultancy, have between them taken the bulk of the former Chase Manhattan building at Taunusanlage 11.

Domestic groups have also played their part in absorbing some of the commercial property surplus in Frankfurt. Dresdner Bank has taken the whole of the 15,000 sq m Fürstenhof development; Deutsche Bank recently celebrated the opening of its third skyscraper in the city, the 60,000 sq m Trianon, one third of which it will be using for its own purposes while the rest is to be let to BfG Bank and others.

These lettings have removed some of the 350,000 sq m of complete and vacant property in Frankfurt city centre and its suburbs. In spite of this Mr Orr of Jones Lang Wootton still believes the vacancy rate in Frankfurt is likely to rise from 5 per cent at present to 6 per cent next year. This is low by international standards - London's West End has a vacancy rate of 9 per cent, while the City suffers from a rate of 16-17 per cent - but is high in comparison with Frankfurt's historical average of 2-3 per cent.

While this oversupply will continue to dampen the market's prospects in the short term, there are two factors which are working in favour of property markets in Frankfurt and in Germany's other leading commercial centres.

- First, interest rates. Following the latest of the Bundesbank's interest rate cuts, long-term rates are now at historical lows. A good quality borrower could obtain five-year fixed financing at an effective rate of 6.5-7.5 per cent. This compares with a peak of 9.5-10 per cent in 1991 and means that for the first time since the middle of the 1980s the yield on certain types of commercial property investments - particularly office developments in the suburbs of Frankfurt - exceeds the financing costs.

While property yields on prime properties in the centre of Frankfurt remain at 5-5.5 per cent, an investor can expect yields of 6.75-7.5 per cent on suburban property, guaranteeing a positive cash flow on investment from the outset.

- Second, is the phenomenon of the German "open-ended" property funds - an investment vehicle popular with private investors. The 14 open-ended funds that exist have provoked huge investor interest. In the first 10 months of this year investors poured DM11.5bn into the funds, up from DM6bn last year and DM2bn the year before. Total assets have doubled to DM39bn in the past three years.

The reason behind the popularity of open-ended funds, at a time when investors could have made more money in rising equity and fixed-interest markets, is perplexing market analysts: one suggestion is that the volatility of the securities markets has frightened Germany's more conservative investors into the stable world of property.

The open-ended funds are legally obliged to invest in property: this alone is likely to provide support for the market. As Mr Michael von Zitzewitz of CGI, the Commerzbank property fund, explained to investors last week, the funds have invested nearly DM2bn in six months to July. The "pressure [on open-ended funds] to invest" proved difficult to resist, he said, given sharply improved yields.

The "pressure to invest" is also making itself felt elsewhere. DGI, Deutsche Bank's property fund, this month concluded the biggest property acquisition in the City of London in two years with the purchase of a long leasehold on One Exchange Square.

MANAGEMENT

Inward focus on total quality

The effect on bottom-line financial performance of total quality programmes in the UK has been shown to be pretty mixed. Much recent academic research has therefore been devoted to finding out why.

A survey of TQM in Scotland carried out by Durham University Business School* has concluded that the focus of quality in companies is too often inward looking. For example, while 70 per cent of the 650 organisations which replied have marketing departments, less than a third use them to develop, implement or assess the effects of their quality programmes.

"Quality without the person who experiences the product, the real customer, is like a car without a driver – it just won't go", is how Barry Witcher of the school's Centre for Quality and Organisational Change puts it.

Bradford University Management Centre, meanwhile, has come up with a different angle by studying the annual reports of the top 100 European companies and a randomly selected sample of 100 UK businesses.**

It found that very few provide relevant information about their mission statements, TQM approach, future intentions or true business performance.

Among those to be commended are Cadbury Schweppes, NFC, RTZ, Thorn EMI, Forte and WH Smith.

The report recommends that companies "stop believing in the myth that TQM is only a technique of relevance to the business units and with no corporate value to it". Business unit performance will improve with "visible support and commitment from the holding or parent company", while better head office understanding of units' capabilities will lead to more realistic targets.

* *The adoption of total quality management in Scotland, DUBS, Mill Hill Lane, Durham City DH1 3LB. Tel: 091 374-2311.*

** *The power of corporate reporting in conveying company mission and total quality achievements, University of Bradford, West Yorkshire BD9 4JL. Tel: 0274 733466.*

TD

Bill Gates' number two talks to **Alan Cane** and **Tim Dickson** about the future of the computer industry

Microsoft's loud mouse

To comprehend the computer industry, it was once essential to understand International Business Machines, hardware manufacturer *par excellence* and industry leader for three decades.

Today, with IBM fighting red ink and loss of market share, the model is Microsoft, the aggressive young pretender to IBM's crown. Creator of MS/Dos and Windows, the operating systems which control more than 90 per cent of the world's personal computers, the company has begun to influence others in a way reminiscent of its older rival.

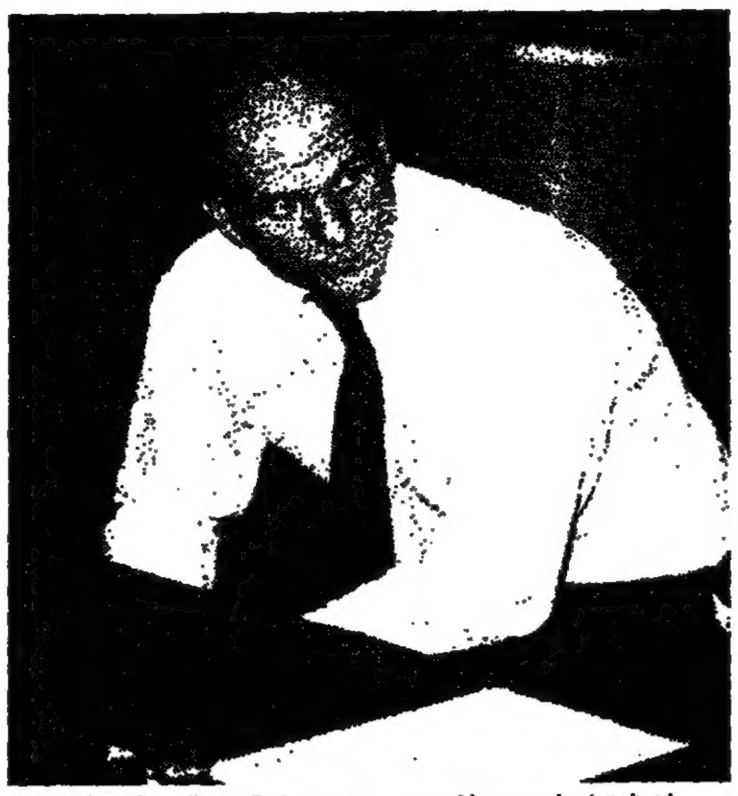
Microsoft, however, is living in a changed world and the management and strategic challenges are correspondingly different. While IBM wanted total control of its customer, Microsoft is increasingly focusing on what it believes it does best, designing and producing quality software. As Steve Ballmer, responsible for the company's sales and marketing activities, points out: "We cannot do everything. As a result, to reach large businesses we will have to forge relationships with new business partners – not just the distributors we have always dealt with, but companies developing specific software solutions to their customers' problems."

Microsoft's management philosophy, explains Ballmer, is "ultimately conservative". Much of this is rooted in the personality of Bill Gates, Microsoft's 38-year-old co-founder, chairman and chief executive, whose parsimony and competitiveness are equally notorious. But Ballmer, a 37-year-old college friend of Gates and effectively Microsoft's joint number two, is clearly a thoughtful and assertive influence.

"When I started [in 1980], Microsoft had 30 people. When I had been there two months, I told Bill I thought we ought to hire 17 more people. He said: 'I think we are going to go bankrupt if I keep you here. I'm not sure this is going to work out'."

Ballmer stayed and Microsoft did not go bankrupt. The success of its operating systems on IBM-style PCs, its computer languages and applications programs turned it into the world's most successful packaged software supplier. Last year it had sales of \$3.7bn (£2.6bn), up 36 per cent on the year before and net income of \$953m.

The changing marketplace will test both its adaptability and technical expertise. Microsoft has proved itself the king of the electronic desktop, providing operating systems, word processors and spreadsheets for people using standalone personal computers. But as large companies seek to link their computers together and establish enterprise-wide information networks, how will the company react?



Steve Ballmer: his culture reflects a nervous, paranoid concern to stay ahead

Windows NT, Microsoft's latest operating system, is the company's technological answer, but Microsoft, as Ballmer readily agrees, has less experience of corporate data processing than, for example, IBM or Unisys.

Ballmer says Microsoft has more experience than many people realise, but adds: "I am not convinced that IBM or Unisys – where one company supplied hardware, software and services – is the model for the 1990s. In our model we focus on what we do best, which is to build software products. Others build hardware, deliver services and design custom developments.

"We have to mobilise an infrastructure around our products or people will not design them into their systems. We have to explain that model to our corporate customers. We are not going to be a cradle-to-grave supplier. If people want a company to integrate their hardware or write a custom application, that company is not going to be us."

Can Microsoft, however, continue to dominate the software business and avoid "doing an IBM"?

As Ballmer tells it – his style is engagingly direct, the decibel count unusually high – the company can hardly be accused of complacency. He describes a culture which reflects a nervous, almost paranoid concern with staying ahead. "We are certainly paranoid enough about the potential to fail that we are looking very hard for the potholes in the road."

Having Gates around evidently helps. "Bill is good at saying: 'I don't care how good things seem to most people. I see deep problems'," explains Ballmer.

Conscious of the technological obsolescence pothole into which IBM stumbled, Microsoft has one senior employee (Nathan Mirvald, vice-president of advanced technology) constantly scanning the horizon for new business threats.

Ballmer distinguishes three phases in the company's development. The first was characterised by a focus on technology and on business ("before you hire anyone or do anything, get a customer"), but there was little management vision. "Bill had all these envelopes with all the contracts written down and everybody in the company and their salaries and he was doing these calculations over and over to make sure there was enough of this to cover that," Ballmer recalls.

In the second phase, Jon Shirley of Tandy Corporation was hired to inject some business sense into a technologically aggressive company which was being strangled by tight purse strings. "Jon helped us grow the management structure that enabled us to do the investing that I wanted and that Paul Allen, Microsoft's co-founder, wanted. It was what Bill wanted to do as well but he did not have the confidence."

Shirley has since retired, although he keeps in close contact with the company. A replacement did not work out and the company established an "office of the president" last year to support Gates. It comprised Ballmer as head of sales, Mike Maples, head of the products group, and the late Frank Gaudette, who had been chief financial officer.

The challenge now, Ballmer says, is how best to present a unified approach to its customers, while allowing the separate divisions considerable autonomy. "We spend a lot of time pushing ourselves. How do we become a global company? How do we measure the effectiveness of a sales operation when we are working with partners? If there is a price war you don't want to be the guy caught with higher overheads and processing costs than others because you've been sloppy."

Microsoft's success has made a lot of its employees potentially very rich through share options and that has helped to maintain the youthful aggression of the culture: "Any senior executive at Microsoft can retire if they want to. The nice thing about having people make money is that they don't stick around unless they want to," Ballmer says. "They stick around because they want to work hard and are excited about what we are doing. It is a nice filtering process."

He and Gates, he says, are good for at least another 10 years. "We don't work as hard as we used to, but we still work very hard and we love it."

Advice one can take to heart

Carol Cooper looks at a new guide to executive health

HEALTH CHECK

PEOPLE with demanding occupations rarely spare a thought for health when things are going well. Life is busy, health is largely a matter of luck and, besides, isn't everything bad for you these days? Faced with confusion and tight schedules, it is little wonder executives are apt to throw their hands up in self-defeat, go for another three-course lunch and carry on exactly as before.

The dietary fat theory – that lowering cholesterol levels is associated with an excess of violent deaths – received a sizeable knock when it was mooted a few years ago

There are various reasons why results of such studies could be a statistical quirk. Nonetheless, they gave some people the idea that most health interventions were in vain, since whatever might be gained on the swings would be promptly lost on the roundabouts.

This is not so and precise authoritative advice is needed. *The 12-Week Executive Health Plan** by David Ashton concentrates on the prevention of coronary heart disease and some of the common cancers and gets down to specifics.

Its approach involves a numerical self-appraisal of health risk, which executives will find more compelling than vague unquantified exhortations to lose weight, eat better and take more exercise.

As a cardiologist, Ashton has worked for more than five years with this type of health risk appraisal (HRA), which incorporates blood pressure, smoking, drinking, diet, stress and exercise (or lack of it).

Companies which provide medicals are already asking similar questions, so some staff may be familiar with the concept. However, they are not always motivated to heed the warnings they receive from employers.

Cholesterol is one of the variables taken into account in the calculation, since it is an independent risk factor, as was realised about 30 years ago.

Recent studies show that lowering cholesterol can improve blood flow in the coronary arteries, at least in men. Data on coronary artery disease in women are scanty, though there is no reason to think that the effects should be different.

As this book explains, however, it is naive to believe that a raised cholesterol level is in itself a cause of heart disease. Cholesterol exists in two forms: LDL which is harmful and HDL which is beneficial. It is a little-known fact that some cholesterol is essential to life.

There is also a popular misconception about the role of diet. It is saturated fat rather than cholesterol which raises blood cholesterol, hence a cholesterol-lowering diet is not the same as a low-cholesterol diet.

It will not always be easy to have business lunches and eat healthily, but it is feasible to follow most of the advice in the book; despite its title, this is not a detailed scheme of how to spend the next 12 weeks down to the last Ryvita, but an explanation of scientific principles which are not, alas, always obvious from what is reported in the press.

There are plenty of data aimed at intelligent readers who ask questions and want to be able to act on the answers. The HRA score should change for the better within a mere 12 weeks of doing the right things. As Ashton puts it: "You can train for a marathon in 12 weeks."

The best news of all is that you do not have to. Exercising seven times a week is not significantly better for the heart than a brisk walk three or four times a week.

Within the pages of this book, there are more snippets of good news besides. For example, antioxidants, the naturally occuring substances, may help prevent cancer and heart disease and the fact that giving up smoking produces benefits for the heart within hours of stopping. To some extent one can, after all, make one's own luck.

The author is a London general practitioner.

* *The 12-Week Executive Health Plan, by David Ashton. Published by Kogan Page, £9.99.*

PEOPLE

Caradon seeks finance director in wake of Pillar acquisition

Caradon, the building materials group, has moved quickly to reorganise its management structure following its acquisition of the Pillar group of businesses from RTZ. The purchase, for £800m, was announced in August and completed late last month.

As a result of the changes, the group is looking for a new finance director who will become the fifth executive director on the board. Peter Jansen, chief executive, said the group had already started the search.

Caradon had found good operational management in the Pillar businesses, he says. However, most of Pillar's head office people will stay with RTZ.

Jansen said under the new structure the group's larger businesses would report directly to one of three main board directors to keep communication lines short, while smaller companies will be clustered. The three areas will each have an executive committee chaired by the director in charge.

Daniel Cohen, currently finance director and managing director of bathrooms and some building products, will be in charge of all the group's European building products businesses. He will give up the finance function when a new person is appointed.

Peter Hewett will pass his responsibility for heating products and double glazing to Cohen, but take charge of all the engineering, automotive and distribution activities.

Tim Walker, who currently runs the group's US security printing business, will be responsible for all the group's north American activities.

ABB promotes David Denton

David Denton, managing director of ABB Industry, is to become managing director of ABB Industrial Systems, a new company to be formed as part of a restructuring of Asea Brown Boveri's UK operations.

Denton will take on his new role on January 1, and John Trostheim, managing director of the UK company ABB Process Automation, will become president of Ohio-based ABB Industrial Systems.

The new UK company will take over all the activities of ABB Process Automation and ABB Industry, along with the superchargers and district heating activities of ABB Power. Its formation follows ABB's recent announcement of worldwide changes to provide a better customer focus.

■ Damien Harte, formerly associate director of finance at Isosceles, has been appointed finance director of ALLIED LEISURE.

■ Marc Dufour, formerly vice-president personnel with Abbott International in Illinois, has been appointed group personnel director of NORTH WEST WATER.

■ Douglas Sinclair, group finance director of PITTENCRIEFF, has been appointed chief financial officer of Pittencrieff Communications, its US subsidiary.

■ Eileen Carr, acting finance director since January of CLUFF RESOURCES has been confirmed in the post; she first joined Cluff in 1981 and before rejoining at the beginning of the year was employed by the Marc Rich organisation where she was involved in setting up a joint venture in Russia.

Andrea Wonfor, deputy director of programmes and controller of arts and entertainment at Channel 4, is returning to Granada Television as director of programmes.

Wonfor, whose first job in television was at Granada, has been involved in developing programmes such as The Big Breakfast, Drop The Dead Donkey, Without Walls and The Tube. She replaces David Liddiment who left Granada earlier this year to join the BBC.

"I have thoroughly enjoyed my four years at Channel 4 but this is an opportunity that I feel I can't refuse," says Wonfor, who is a former director of programmes at Tyne Tees Television.

New package at Portals

Roy Gardener, the seasoned Portals manager responsible for revamping J.R. Crompton, the teabag papermaker acquired from the Bunzl group in 1990, is stepping aside from the start of January, thus triggering a management reshuffle.

Gardener, 54, who has spent the past four years as Crompton's managing director and has overseen a substantial improvement in productivity and profits, is to undertake a number of special assignments within Portals' core security and specialist papermaking division.

He will also continue as a member of Portal's papermaking divisional board and as a Crompton director, but will be succeeded as Crompton managing director by Nick Acland, 33.

Acland, who has an MBA from Insead, is moving over from Portals (Bathford), which makes watermarked high security paper for non-currency security documents including the new DSS high security covers for pension and other allowance books. Acland has been managing director there for the past four years.

Keith Brown, 37, will become managing director of Portals (Bathford) which is a world leader in its market. He will bring to the company broad strategic skills and papermaking experience, which includes the integration phase and subsequent growth at Crompton where he has been a director for three years.

Electronic switches

■ Judith Scott is promoted to European md of GANDALF DIGITAL COMMUNICATIONS.

■ Anthony Pilkington, formerly director of finance, Europe, based in Paris, has been appointed md of DELCO Electronics Overseas Corporation, in Liverpool, on the retirement of Jack Moore.

■ Alison McCreath has been promoted to market development director of RADIUS COMPUTER SERVICES.

■ David Carew-Jones, formerly marketing manager of Uniplex, has been appointed international marketing director of PILOT SOFTWARE.

■ Richard Provis, formerly sales director of Nexus Payment Systems International, has been appointed md of TRINZIC (UK).

■ Robert Grant, formerly head of the legal department at Jaguar, has been appointed company secretary of McDONNELL DOUGLAS INFORMATION SYSTEMS.

■ Graham White (above left), former sales and marketing director for Hotpoint, has been appointed md of the consumer products division of MITSUBISHI ELECTRIC UK.

■ Angus Drever (above right), has been promoted to become director, copier/fax division of TOSHIBA Information Systems (UK).

■ Alan Parker has been promoted to become director, international marketing projects for IMRS Inc and will split his time between UK and international operations.

■ Ian Bullen, formerly chief executive of Hestair Computer Group, has been appointed md of AT&T ISTEL financial and retail services.

■ Tom Plimmer, formerly md of 3Com UK, has been appointed group md of EUROPEAN NETWORK ENGINEERING.

■ John Kick has been promoted to director of personnel for HEWLETT PACKARD in the UK.

David Worthington Ltd
(T/A Chillcotts and Chillcotts Seals & Gaskets)

The Joint Administrative Receivers offer for sale the business and assets of the above company.

Principal features comprise:

- Manufacturer of exhausts, silencers, fuel tanks and gaskets for commercial and off-road vehicles
- Turnover of c£2 million
- Based Telford. Premises 60,000 sq.ft.

For further information contact the Joint Administrative Receivers, Mark Hopton or Ann Davies, KPMG Peat Marwick, 2 Cornwall Street, Birmingham B3 2DL. Tel: 021 233 1666 Fax: 021 233 4390.

KPMG Corporate Recovery

Courtline Plc

The Joint Administrative Receivers offer for sale as a going concern, the business and assets of Courtline Plc.

Principal features comprise:

- Long leasehold premises of 16,000 sq.ft.
- Turnover of £2.4 million
- Modern machinery workshop
- Extensive customer base

For further information contact the Joint Administrative Receivers, Peter Terry or Philip Ramsbottom, KPMG Peat Marwick, St. James Square, Manchester M2 6DS. Tel: 061 838 4000 Fax: 061 838 4089.

KPMG Corporate Recovery

ANNOUNCEMENT FROM SÜMER HOLDİNG A.Ş.

As a part of the privatization programme Sümer Holding A.Ş. Offers for sale its Tarsus Textile Dye Industry Plant by sealed tender and sale negotiations procedure.

THE PLANT TO BE SOLD	AMOUNT OF TENDER BOND
Tarsus Textile Dye Industry Plant.	TL. 3.000.000.000

1- The Information Document and sale specifications of the above plant is available for a fee of TL 250.000, at the General Directorate of Sümer Holding A.Ş., at the address below.

2- The plant shall be transferred to the buyer "as it is" at the date of signature of the purchase agreement, excluding the receivables and liabilities and inventories of the plant at that date.

3- The buyer shall be wholly responsible for all the liabilities arising from the rights and payments which the employees working under labour law 1475 and whose numbers are specified in the Information Document, are entitled to or shall be entitled to by the labour law and the collective agreement.

4- The offerors are required to provide an irrevocable, unconditional (payable at first demand) tender bond for an amount of 3.000.000.000 Turkish Liras and valid for a period of at least six months to the below address of the General Directorate. Offers prepared in compliance with the sale specifications should be submitted to the Correspondance Department of Sümer Holding A.Ş. General Directorate at Çankırı Caddesi No: 2 Ulus/ANKARA, not later than 3 P.M. (on December 28, 1993). Delays in post shall not be accepted.

5- Sümer Holding A.Ş. is not subject to the restrictions specified in the State Tender Law No. 2886 dated 8 th September 1983 and reserves the right to decide whether or not to sell the plant and to extend the deadline of the tender, if deems necessary.

SÜMER HOLDİNG A.Ş.
Çankırı Caddesi No: 2 06042 Ulus/ANKARA-TURKEY
Phone: 00-90-312-310 38 30 Fax: 00-90-312-311 72 33

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Cotswold Buildings Limited
Lewes Road Sawmills Limited
(All in Receivership)

Standlake, West Oxon.

Established manufacturer and national retailer of concrete garages, timber sheds and summerhouses, and timber and aluminium green houses and conservatories.

- Annual turnover £4 million
- Skilled workforce
- 10 acre freehold site
- 19 showcentre sites, of which two are freehold
- 170 retail agents

The group's manufacturing facility and headquarters are located at its freehold site situated near Standlake, West Oxfordshire.

For further information, please contact the Joint Administrative Receiver, Edwin Ansill or Alysoun Stewart, Grant Thornton, 1 Westminster Way, Oxford OX2 0PZ. Tel: (0865) 244977. Fax: (0865) 724420.

Grant Thornton

The U.K. member firm of Grant Thornton International. Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

The Tomkinson Group
(In Administrative Receivership)

The Joint Administrative Receivers, P. H. Bendall and N. J. Dargan, offer for sale the business and assets of this old established and highly respected group of companies, which operates principally in the North West, as detailed below:

Wm Tomkinson and Sons Limited

- General building contractors;
- Annual turnover £10 million;
- Ongoing work of approximately £3 million;
- Skilled workforce;
- Freehold premises in central Liverpool, comprising approximately 22,000 sq. ft. of office and workshop premises, secure yard and car parking area.

Merseyside Plumbing Company Limited

- Specialist metal roofing and metal services contractors;
- Annual turnover £4 million;
- Work in progress of approximately £400,000;
- Skilled workforce.

Decorators (Liverpool) Limited

- Pyrotherm fire retardant product division and Decorating division;
- Annual turnover £4 million split equally between the two divisions;
- Freehold premises in central Liverpool, of approximately 22,000 sq. ft. with a yard area on a 2 acre site housing a Pyrotherm production unit;
- Blue Chip customer list.

Tomkinson Specialised Services Limited

- Building maintenance contractors;
- Annual turnover of £1 million.

For further information, please contact Paula Williams or Tim Hargreaves at the address below.

Touche Ross
Deloitte Touche Tohmatsu International

4th Floor, Martins Building, 4 Water Street, Liverpool L2 3UY.
Tel: 051 236 0941. Fax: 051 236 2877.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

TAYLOR GOTHAM
INSOLVENCY PRACTITIONERS

By Order of the Joint Administrative Receivers Jamie Taylor F.I.P.A. and Peter Gotham F.C.A.

SOUTHERN ENGLAND PACKAGING MACHINE SUPPLIER

- ☐ Freehold factory and 5 leasehold premises totalling 10,270 sq ft
- ☐ Range of in-house packaging equipment
- ☐ Stock of film and some packaging machinery
- ☐ Turnover to year end 93 £2.4m

BUSINESS FOR SALE
Ref C St. J B

ES&P
EDWARD SYMMONS & PARTNERS
2 Southwark Street, London Bridge, London SE1 1RQ
Fax: 071-407 6423
LONDON - MANCHESTER - LIVERPOOL - BRISTOL - SOUTHAMPTON
Tel: 071-407 8454

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The Company is based on the South Coast operating from two freehold depots. Turnover is in the region of £1 million. Offers in excess of £1 million are invited for the shares of the Company.

Principals only need apply.

Write to: Box B3022, Financial Times, One Southwark Bridge, London SE1 9HL

LEGAL NOTICES

MAXWELL COMMUNICATION CORPORATION PLC
(IN ADMINISTRATION)
Scheme of Arrangement
Plan of Reorganisation
DM 150,000,000 6% bonds of 1988/1993
ECU 75,000,000 8 ¾% bonds of 1988/1993
SFr.150,000,000 5% bonds of 1988/1995

On 5th August 1993, notice was given that the scheme of arrangement in England (the "Scheme") and the plan of reorganisation in the United States (the "Plan") became effective on 28th July 1993. The Administrators are now in a position to proceed with the arrangements necessary to enable distributions to be made to Scheme Creditors when they become available.

In consultation with Bayerische Vereinsbank AG, the agent bank for the Deutsche Mark and ECU bonds, and Swiss Volksbank, the agent bank for the Swiss Franc bonds, (together the "Agent Banks") the Administrators have made special arrangements for payment of distributions to bondholders under the Scheme and the Plan.

In order for bondholders to receive distributions under the Scheme and Plan they must exchange their bonds for distribution certificates (containing 15 individual distribution coupons).

Notice is hereby given that the distribution certificates are available for exchange against surrender of the bonds as from November 18, 1993.

If your bonds are deposited with a custodian bank those bonds will be exchanged through the security clearing system (Euroclear, Cedel, Deutsche Kassenverein and Schweizerische Effekten Giroxentrale Aktiengesellschaft) or between the custodian bank and the respective Agent Bank and distributions will be paid to you by the same method that any interest payment under the bonds would have been remitted to you.

If you or your custodian bank hold definitive bonds, those bonds should be surrendered to the relevant Agent Bank at the following address:

Bayerische Vereinsbank	Swiss Volksbank
Am Tucherpark 12	Bahnhofstrasse 53
80311 München	8021 Zurich
Federal Republic of Germany	Switzerland
Attention: ZGA 61	Attention: WAGB/VEGE

The Agent Banks have expressed a preference for individuals holding definitive bonds to surrender those bonds via their own bank rather than to the relevant address noted above.

In order to ensure that you are able to participate in distributions, please surrender your bonds as soon as possible.

Future notices relating to the timing and method of payment of distributions will be placed at least 7 days before a distribution is made in the following publications:

Schweizerisches Handelsamtsblatt	Bundesanzeiger
Neue Zürcher Zeitung	The Financial Times (European edition)
Basler Zeitung	Handelsblatt
Journal de Genève	Frankfurter Allgemeine Zeitung
Der Bund	Luxemburger Wort

Dated: 12 November 1993
A.M. Homan
A.R.D. Jamieson
I.G.A. Phillips
C.G. Bird
Administrators of Maxwell Communication Corporation plc

No. 009300 of 1993
In the High Court of Justice
Chancery Division
IN THE MATTER OF
HOARE GOVETT SECURITIES LIMITED
and
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was presented to Her Majesty's High Court of Justice, Chancery Division on 25th October 1993 for the confirmation of the reduction of the share capital of the above named Company from £75,000,000 to £54,728,000.

AND NOTICE is further given that the said Petition is directed to be heard before Mr Registrar Buckley at the Royal Courts of Justice, Strand, London WC2A 2LL on Wednesday the 24th day of November 1993.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of the share capital should appear at the time of the hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any person requiring the same by the undermentioned Solicitors on payment of the Regulated Charge for the same.

Dated the 12th day of November 1993
CLIFFORD CHANCE
200 Aldersgate Street
London EC1A 4JJ
Ref: RWC
Solicitors to the Company

No. 009328 of 1993
In the High Court of Justice
Chancery Division
IN THE MATTER OF
PHIBRO ENERGY LIMITED
and
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was presented to Her Majesty's High Court of Justice, Chancery Division on 26th October 1993 for the confirmation of the cancellation of the capital redemption reserve of the above named Company.

AND NOTICE is further given that the said Petition is directed to be heard before Mr Registrar Buckley at the Royal Courts of Justice, Strand, London WC2A 2LL on Wednesday the 24th day of November 1993.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said cancellation of the capital redemption reserve should appear at the time of the hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any person requiring the same by the undermentioned Solicitors on payment of the Regulated Charge for the same.

Dated the 12th day of November 1993
CLIFFORD CHANCE
200 Aldersgate Street
London EC1A 4JJ
Ref: RWC
Solicitors to the Company

LEGAL NOTICES

No. 008297 of 1993
In the High Court of Justice
Chancery Division
Companies Court
IN THE MATTER OF
CATHAY INTERNATIONAL HOLDINGS PLC
and
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated Wednesday the 3rd day of November 1993 confirming the reduction of the capital of the above-named Company from £98,240,000 to £94,400,000 and the Minute approved by the Court showing with respect to the capital of the Company as altered the several particulars required by the above-mentioned Act were registered by the Registrar of Companies on the 4th November 1993.

DATED this 9th day of November 1993
Theodore Goddard
150 Aldersgate Street
London EC1A 4EJ
Solicitors for the above named Company
Ref: 246/323/2090.181

No. 008070 of 1993
In the High Court of Justice
Chancery Division
IN THE MATTER OF
MFI FURNITURE GROUP PLC
and
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that an Order of High Court of Justice, Chancery Division dated the 27th October 1993 confirming the cancellation of the Capital Redemption Reserve and the reduction of the amount standing to the credit of the Share Premium Account of the above named Company was registered by the Registrar of Companies on the 29th October 1993.

Dated 12th November 1993
CLIFFORD CHANCE
200 Aldersgate Street, London EC1A 4JJ
Ref: KO
Solicitors to the Company

NOTICE
HUTCHINSON LIMITED
(IN LIQUIDATION)

TAKE NOTICE that the creditors of the above named company are required on or before 31 December 1993 to send full particulars of their debts or claims to the Joint Liquidators c/o Ernst & Young, Chartered Accountants, PO Box 510, George Town, Grand Cayman and in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

DATED this 4th day of November 1993
G James Cleaver, Joint Liquidator.

BUSINESS FOR SALE
Duncan Lacey & Bros Ltd

The Joint Administrative Receivers offer for sale the business and assets of the above company as a going concern.

Principal features include:

- Wholesalers and retailers of frozen foods
- Turnover approximately £2.5 million per annum
- 14,000 sq ft of property available either as freehold or leasehold
- Based in Kent

For further details, interested parties should contact Paul M Davis or Ivor B Richards, Joint Administrative Receivers, quoting reference number C-2311, at Levy Gee & Partners, Wettern House, 56 Dingwall Road, Croydon CR0 0XH.

Tel: 081-681 8389 Fax: 081-681 8402

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(in Administrative Receivership)

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EDWARD SYMMONS & PARTNERS
SURETY HOUSE, OLD REDBRIDGE RD, SOUTHAMPTON SO1 0NE
TEL: 0703 779778 FAX: 0703 779010

Chairleath Limited
(In Administrative Receivership)

John Wilson and Lindsay Kennedy Denney - Joint Administrative Receivers - offer for sale the Assets and Undertaking of the above specialist high quality Joiners and Bar Fitters.

- Freehold premises comprising office accommodation, machine shop, joinery shop and spray shop totalling approximately 11,000 square feet, with good parking facilities.
- Clients include well known national names in the leisure industry.
- Last recorded turnover year to 30 September 1992 is £1,540,000.
- Local experienced workforce.

For further information please contact John Wilson or Sheila McGarvey-Mortimer in Leicester on 0533 543598 or at the company in Derby on 0332 773160.

Touche Ross
Deloitte Touche Tohmatsu International

St. John's House, East Street, Leicester LE1 6NG.
Tel: 0533 543598. Fax: 0533 552055.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

BUSINESSES FOR SALE

Appear in the Financial Times on Tuesdays, Fridays and Saturdays.

For further information or to advertise in this section please contact

Karl Loynton on 071 873 4780 or Melanie Miles on 071 873 3308

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Many drug companies have stopped developing contraceptives, writes **Clive Cookson**

Concepts for a fertile market

Contraceptives have become a Cinderella subject for pharmaceutical research. No fundamentally new techniques have been developed since the "pill" 30 years ago, and even the long-term contraceptives recently introduced in the US and some European countries – Depo-Provera injections and Norplant implants – originated in the 1960s.

At last month's Population Summit, held in India by the world's scientific academies, Kerstin Hagenfeldt of Stockholm's Karolinska Hospital estimated that global funding of contraceptive R&D amounts to just $57m (£41m) a year, of which governments and non-profit organisations provide 61 per cent and pharmaceutical companies 39 per cent. This is little more than 2 per cent of worldwide contraceptive sales (worth between $2.6bn and $2.9bn a year).

"Many large pharmaceutical firms that in the 1960s and 1970s played an active and essential role in developing contraceptive products have stopped their activities in this area in the last decade," Hagenfeldt said.

The world contraceptive market is currently dominated by four companies: Johnson & Johnson and American Home Products of the US, Schering of Germany and Akzo of the Netherlands.

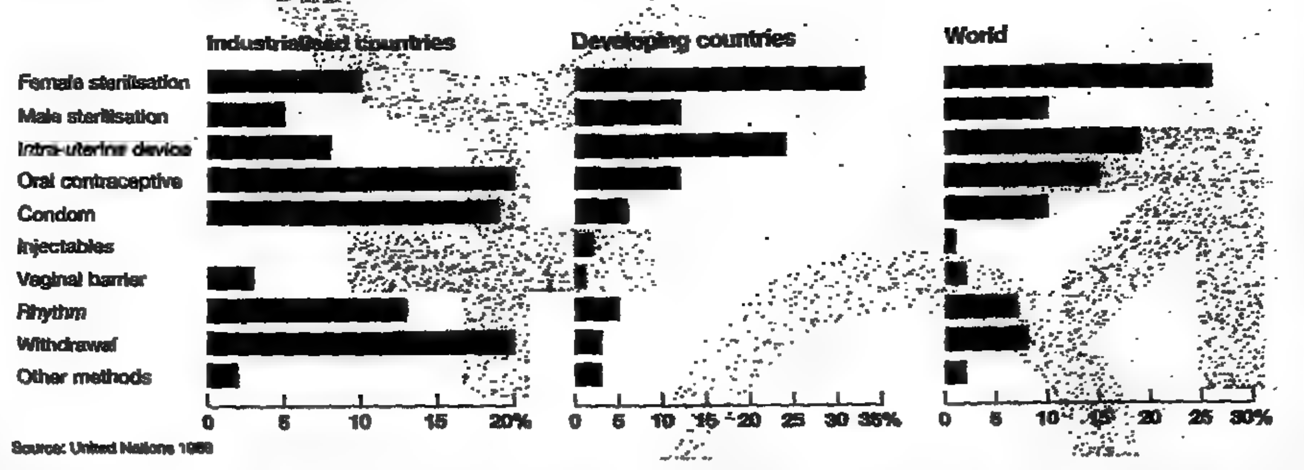
Reasons put forward for the industry's diminishing research activity include more stringent regulatory requirements than for any other type of drug, a risk of expensive product liability lawsuits of the sort that drove the Dalkon Shield manufacturer A H Robins to bankruptcy in 1986, and opposition to contraception by the Roman Catholic church and other religious groups.

"Contraceptive development is difficult in the sense that you're dealing with products that may be used by perfectly healthy people over many years. They therefore have to be extremely safe and effective," says Hans Vemer, international medical director of Organon, Akzo's pharmaceutical subsidiary.

The basic principle of hormonal contraception is to use synthetic sex hormones (oestrogens and/or progestogens) to suppress ovulation. The hormones also thicken the cervical mucus, making it more difficult for sperm to enter the uterus, and thin the endometrium (lining of the womb) so that a fertilised egg is unlikely to implant and grow.

Although today's contraceptive pills work in fundamentally the same way as their forerunners 30 years ago, they contain a different balance of hormones in lower doses. The standard "combined pill" now has only 30 micrograms of oestrogen, compared with 150 micrograms in the 1960s. There is also a range of "multi-phasic pills" in which the doses change during the month.

Prevalence of different contraceptive methods



Source: United Nations 1989

Long-term clinical studies sponsored by the World Health Organisation show that the pill is safe, despite the health scares of the 1980s – so safe indeed there are moves in the US to permit the dispensing of oral contraceptives without a prescription. The pill may slightly increase the risk of developing breast cancer and heart disease, but it has a protective effect against some cancers of the reproductive system. Long-term use reduces the chance of developing ovarian cancer by 40 per cent.

Oral contraceptives are highly effective at preventing pregnancy when taken regularly but they are liable to fail through forgetfulness or gastric upsets. Therefore, researchers have been working since the pill's introduction on more reliable ways of administering contraceptive hormones.

The two injectable contraceptives in worldwide use today, Depo-Provera and Noristerat, were invented in the 1960s. They are prescribed extensively in some developing countries, but health concerns and political controversy have kept them off the market in several industrialised countries. The US finally approved Depo-Provera last year after its manufacturer, Upjohn, won a 25-year battle to convince the Food and Drug Administration it was safe.

Depo-Provera contains tiny crystals of progestogen suspended in a water-based solution which is injected every three months into the muscle of the buttocks or arm. The hormone leaches slowly into the bloodstream from the crystals. Its failure rate – about two pregnancies per 1,000 women per year – is considerably lower than the pill.

More recently, WHO has sponsored the development of two monthly injectable contraceptives, Mesigyna and Cyclofem, which contain a combined low dose of oestrogen and progestogen. They avoid the main side-effect of Depo-Provera – irregular menstruation. Both are being manufactured locally in several developing countries.

Norplant, an implant to prevent pregnancy for up to five years, was designed in the 1960s by the Population Council, a charity based in New York, and developed during the 1970s by Leiras, a contraceptive manufacturer in Finland. They are licensing it for sale by various international drug companies. It was launched in the US two years ago by American Home Products and in the UK last month by Roussel of France.

Norplant consists of six flexible rubber rods, each about the size of a matchstick, which are inserted (under local anaesthetic) beneath the skin of the upper arm. They release progestogen at a steady rate into the bloodstream. If the woman wants to conceive, the capsules are removed.

According to Hemant Shah, a US pharmaceutical analyst, Norplant sales shot up from $50m in 1991 to $140m in 1992, but are likely to fall to about $110m in 1993. The decline is not a sign of disenchantment but a result of Norplant's long-term action; the women most enthusiastic about the implant had it fitted last year. However, some state authorities have aroused controversy by allegedly putting unfair pressure on teenagers from deprived and minority backgrounds to accept Norplant.

Several second-generation implants are in clinical trials and are expected to reach the market before the end of the century. One is Norplant II, which has two rods rather than six. Another is Implanon, a single rod system developed by Organon, which provides two to three years of reliable contraception; it is injected under the skin with a hypodermic syringe.

Vaginal rings are a third type of long-acting contraceptive undergoing clinical trials. They release hormones slowly through the skin of the vagina. Candidate rings have been developed by Organon, the Population Council and WHO. Unlike implants and injections, they can be inserted or removed by the user without professional help.

Another technique, pioneered by Leiras, is to combine hormonal contraception with the intra-uterine device. Its Levonova IUD, recently approved for sale in three Scandinavian countries, releases very low doses of progestogen directly into the uterus for up to five years.

All today's contraceptive drugs – as opposed to barrier methods such as condoms which are not covered in this article – are based on hormones. An entirely different approach is to produce a birth control vaccine, by inducing the immune system to immobilise either sperm or eggs or one of the hormones that are essential for human reproduction.

Six contraceptive vaccines with various mechanisms of action are in the early stages of clinical trials, although the safety and efficacy requirements are so stringent that none will be available commercially until the next century.

The immunological approach could produce a safe male contraceptive – and satisfy complaints that all products so far, apart from the condom, have been aimed at women.

"Since a man produces millions of spermatozoa at a time, it is far more difficult to develop an adequate oral or hypodermic contraceptive for men," says Willem Bergink, director of Organon's fertility research programme.

"But we know some women are infertile because they produce antibodies against sperm." The solution may be to make men produce antibodies against their own sperm.

The series continues next month with an article on obesity.

■ Articles over the last six months have looked at pharmaceutical advances in the following areas:

Anaesthetics	15 October
Diabetes	17 September
Epilepsy	27 August
Arthritis	27 July
Menopause	25 June
Alzheimer's	24 May

Worth Watching

Della Bradshaw

Only electronic CVs need apply

The New York Times has developed a high-tech way for job-seekers to apply for positions advertised in the newspaper.

For $40 (£26.40) job-hunters register their CV on its FasTrak database, either by filling in a form, faxing off a written résumé or entering the data electronically. Then if a job is advertised for which he or she wants to apply, the job-hunter authorises the CV to be sent to the advertiser by keying in the appropriate code, using a touch-tone telephone.

The system has been developed by Information Kinetics, of Chicago. New York Times: US, 212 556 1234. Information Kinetics: US, 312 335 0787.

Herbal remedies growing wildly

An increasing number of European consumers are using herbal and homeopathic remedies rather than conventional drugs, according to the latest report from management consultants Datamonitor.

Belgians have the highest consumption rate, spending an average of $8 (£6) annually per head on homeopathic remedies. But consumption is growing most quickly in the UK – by more than 15 per cent between 1987 and 1992 – with Nelson and Weleda the market leaders.

The biggest single market in Europe is in Germany, where consumers bought $1.3bn worth of homeopathic and herbal remedies last year. Datamonitor: UK, 071 625 8548.

CFCs make a hasty exit

With manufacturers gearing up to phase out ozone-depleting cleaning fluids in 1994, a number of products and processes are appearing to replace materials which contain chlorofluorocarbons.

In Faulbach, Germany, Grasmann WLS has developed a dry process for cleaning printed circuit boards in electronics manufacture.

The process involves putting the boards in a plasma chamber where a high-frequency generator breaks down the normal bond between the electrons and the atomic nuclei in the offending particles, burning them off the surface. The Grasmann machines are distributed in the UK by Parkheath of Cardiff.

Grasmann: Germany, 9392 8020. Parkheath: UK, 0222 462230.

To catch a thief

When many burglar alarms ring it is just as likely to be the local cat as a felon that sets them off. However, the latest camera-on-a-microchip could help the owners of the premises to verify the presence of the thief before the police are called.

Once the alarm sounds the mini camera transmits video images of the break-in (or false alarm) down a telephone line to a control centre. The TVX camera, developed by Edinburgh University and TVX International, of Hemel Hempstead, costs a quarter of the price of traditional video surveillance systems and can be added to existing alarm systems.

TVX: UK, 0442 216589.

Putting nature in the dishwasher

Soap powder-to-toothpaste specialist Colgate-Palmolive has turned to nature to produce its latest tough-acting dishwasher powder, Palmolive Ultra.

Palmolive Ultra, which is on sale in the US, contains a cocktail of enzymes which has been specially selected to attack dried food or ingredients which produce particularly stubborn stains.

Colgate-Palmolive has applied for patents to cover the enzyme action, a process which took five years to develop. Colgate-Palmolive: US, 212 310 2000.

Happy campers on the Euro trail

Alastair Macaulay eavesdrops on an imaginary conversation after the show

THE SCENE:
Joe Allen's restaurant near Covent Garden, London, or any place where theatricals hang out after shows. An obscure and no-longer-young thespian rushes up to hail the star of the West End's latest opening.

Thespian: Darling! I hear your new show's a wow! And the first night had a really amazing audience!

Anita Dobson (for it is she): Why, yes! Edwina Currie and Julian Clary, Alan Whicker and Mike Nolan, Hugh Laurie and Stephen Fry, Paul Nicholas and Victor Spinetti, Esther Rantzen and Ronnie Corbett...

Thesp (green with envy, interrupting): Fabulous! Is yours a big role?

Anita (modestly): Well, I'm the star...

Thesp (now pea-green): Really? So who do you play?

Anita: Well, I'm an Italian has-been who compères the EuroVision Song Contest, and who becomes psychically possessed by the Spirit of Europe, and I play agony-aunt to two English queens, who are pursued by the ghosts of the Emperor Hadrian and his lover Antinous...

Thesp (who has changed hue to red): Now, when you say *queens*...

Anita: Yes, the show's all about gay men and coming out.

Two of the international singers have an affair, too: the Spanish singer and the Greek.

Thesp: So it's a really bold show like *Bent*?

Anita: No, it's mere fun...

Thesp: What – like *Torch Song Trilogy*?

Anita: No, no, lighter and happier than that. And I help the gays to love each other properly.

Thesp: And do you have a love-affair too?

Anita: No, I just play their fairy godmother.

Thesp: And there are songs?

Anita: Oh yes, I sing "Edelweiss" in my Italian accent – "E-dalla-weiss". The rest are funny EuroVision-type songs, written by Jason Carr – who's a little *love*. At the end, the Greek singer wins the Contest with "Bim-Bam-Bom!" On the first night the audience all clapped in time; and they were all given CDs of the song with their free programme, wasn't that a marvellous idea?

Thesp: Mmmm. So it's a musical?

Anita: Not really. The two English queens – that's James Dreyfus, who's *tremendous* as Gary, you can't *believe* how camp he is, and Charles Edwards as Kevin – don't sing, and neither do Hadrian and his boyfriend.

Thesp: I don't understand this thing about being psychically possessed...

Anita: Well, you know how Hadrian is a great gay hero, because he had more works of art made in honour of Antinous than have ever been made of anyone else in history. So he and Antinous inspire people even now. But, because not enough gay men *love* each other properly, the Spirit of Europe suddenly starts to haunt me, and makes me make them love more.

Thesp (feebly): ...The Spirit of Europe?

Anita: Yes, this being Maastricht year and all that...

Thesp (stunned): But you don't mean that Maastricht will mean more gay love, do you?

Anita: Absolutely not. In fact, I tell the English boys that they're lucky not to be Italian. Italian men are too caught up on being macho to know about love.

Thesp: But the show treats Europe seriously?

Anita: Oooh, *no*. The Greeks and Spaniards and Italians in it are just *jokes*.

Alastair Muir

Anita Dobson: psychically possessed by the Spirit of Europe ...

Thesp: And it's produced by Andrew Lloyd Webber and the Really Useful Company?

Anita: Yes! And Tim Luscombe not only wrote it all, he directs too. What a clever sweetheart he is! The beginning's a bit leaden, but it warms up when I come on.

Thesp: What's your funniest line?

Anita (in low, creamy, Euro-compère voice): "Grazie, Macedonia."

Thesp (hopefully): So it's utterly camp?

Anita: Er... Yes.

Thesp (with relief): Darling, I can't *wait* to see it.

'Eurovision' is at the Vaudeville Theatre, WC2, 071-836-9987

Concerts in London

American influences

The billing for Wednesday's concert by Music Projects/London was "American Counterpoints", but this really applied only to Steve Reich's ingenious *Vermont Counterpoint* for one live flute and ten more on tape; and maybe, to Colin Matthews' *Hidden Variables*, which is in part a mischievous send-up (British) of American minimalism and post-minimalism.

Still, what's in a name? In this case, the official but purely notional tie-in with the American Art show at the Royal Academy. (There *may* have been people there who came expressly to match their impressions of American abstract painting against aural Reich and John Cage, but how would one know?) Forget the label: this was a concert full of lively imagination, from the planning to the execution – bright, inquiring, funny and exhilarating.

Music Projects/London was set up by the conductor Richard Bernas a good while ago. Their distinguished seniors, the London Sinfonietta, have enjoyed more continuity of personnel; but the MP/L's track record must by now make them the leading young challengers. In the Queen Elizabeth Hall on Wednesday, it seemed to me – I may be wrong – that there were many more under-25s than the norm for the pricier Sinfonietta concerts.

Yet that was not because the MP/L programme was hot-off-the-stove stuff. On the contrary, it treated us to ancient, scatty Charles Ives, and John Cage in his least-known period (a 1947 ballet score for Merce Cunningham, *The Seasons*), along with the more recent Reich and Matthews. The ten minutes of Reich's fresh, extremely clever multi-flute exercise were entirely justified by Nancy Ruffer's solo playing. The Cage score finds him somewhere between tranquil, mock-naive formalism and an active urge to scrap Western musical paraphernalia altogether: fascinatingly dull, not just *dull*.

MP/L is distinguished above all for its cutting edge and its verve. In Ives's three "Theatre Orchestra Sets" – the fullest versions that I've heard, carefully traced back to the first drafts – everyone in the ensemble leapt to their opportunities, with full prompting from Bernas. Almost every piece in these ragbag collections has a different instrumentation, anything from a woozy wind-band to sighing strings, and each strikes sparks off some unheard-of idea. That cornucopia of random inspirations, whether radical or just gleefully silly, was wonderfully bracing to hear. (Some FT readers might like to know that Ives was all his life a professional insurance man, apparently with great actuarial breakthroughs to his credit.)

Matthews' beady-eared diatribe, which features scathing parodies of John Adams in particular and other trendy Americans wholesale, has its own musical sense and weight too, as the ML/P team made clear. We were hearing the new "chamber" version of *Hidden Variables*, most obviously in its reduced strings. Aptly tacky, I thought: the budget forces focussed the implausibility of what Adams gets away with on Hollywood-scale strings.

David Murray

In the Barbican Hall meanwhile, Itzhak Perlman and the London Symphony Orchestra under André Previn were purveying an older, milder brand of American music: Samuel Barber's Violin Concerto of 1940. This expert piece of musical craftsmanship, with its curvaceous Richard-Strauss-goes-to-New-England first movement, gently moody middle and dashing finale, is today more liable to elicit underpraise than encourage over-estimation.

It offers no challenge to the listener, no adventure, no threat of uncharted emotional experience; but within their self-ordained limits its musicianly qualities remain effortlessly graceful and delightfully fresh. Perhaps a grander style of musical address, a riper rhetorical character was intended by Barber than Perlman essayed in the solo-writing, or than Previn charged from the orchestral accompaniment; but for shining sweetness and purity of style this violinist has no equals today.

This was altogether a fine, civilised performance, and after the interval Previn and the LSO matched it with an Elgar Second Symphony of easy flow and sustainment of symphonic argument. Again, certain Elgarians in the audience might have found their cravings for passionate engagement with the score's melodic shapes unsatisfied (from Elgar's own recording of the work with the LSO we know how high a value he set on full-bodied portamento string-phrasing). But in its truthful, uninflated authority, Previn's command of the symphony is now solidly impressive from first note to last.

Max Loppert

MP/L sponsors: the London Arts Board, the Holst Foundation, the Musicians' Union

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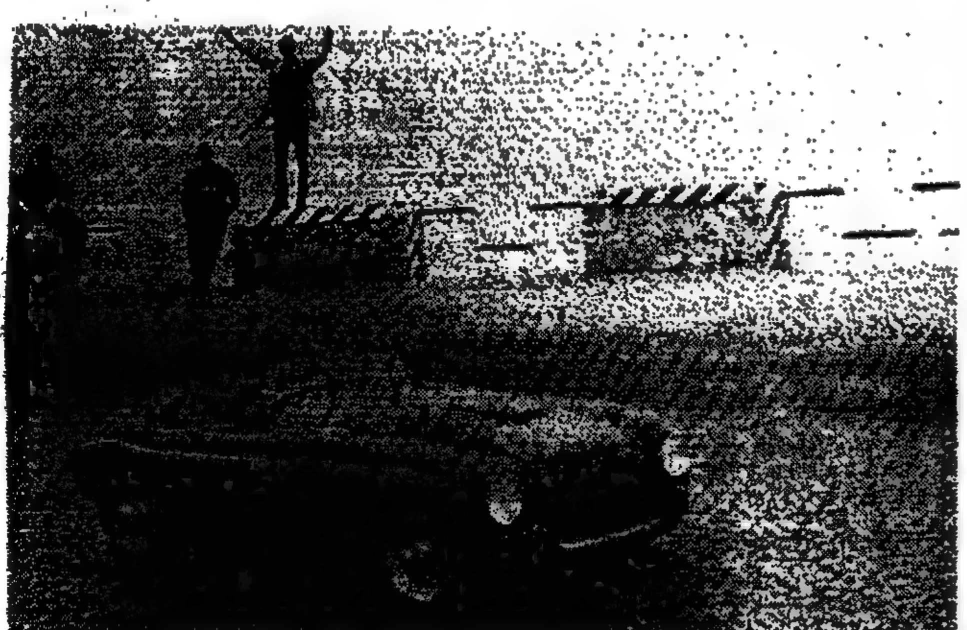
Car designed by nature

"We say that the world's magnificence has been enriched by a new beauty: the beauty of speed. A racing car whose hood is adorned with great pipes, like serpents of explosive breath – a roaring car that seems to ride on grapeshot – is far more beautiful than the *Victory of Samothrace*," Marinetti's *Futurist Manifesto* proclaimed in 1909.

Racing cars may have long lost their serpents of explosive breath but, as *Design for Speed: Three Automobiles by Ferrari* at the Museum of Modern Art in New York also illustrates, the pursuit of maximum speed and performance has forged its own aesthetic.

This is the first automobile show at MOMA for 15 years and the first to focus on the process of design. Curator Christopher Mount had long nurtured the idea of staging an exhibition around a Formula I racer and mance". his show considers the evolution of the red Ferrari Formula I and its relationship to the firm's road cars. Enzo Ferrari built his first sports car in 1950 to finance his racing career. Ferrari remains the only manufacturer to produce cars for both track and road, and to build both engine and chassis.

MOMA's escalator deposits the visitor before the surprisingly smooth and sculptural but oddly silent 641 that Ferrari has given to the museum. This is the 1990 car in which Alain Prost won four Grand Prix titles and Ferrari claimed its 100th championship. Appropriately for a museum of modern art, such a Formula I racing car is arguably the most triumphant exemplar of the Modernist ideal of form following function. The beauty it possesses is due to its purity of purpose: to transport a single human being around a track as quickly as safely possible. Its shape is determined by the laws of aerodynamics; it is virtually designed by nature. Every feature is geared towards holding the road at speeds in excess of 200mph. Nothing is superfluous.



Pure sculpture: the Ferrari 166MM (the Barchetta) competing in 1949. The photograph is part of the Ferrari exhibition at the MOMA, New York

To emphasize the point, we find a computer-generated profile of the racer – a minor piece of Op Art in its own right – and a scale model used in the wind tunnel to work on aerodynamic detail. It seems, most unfairly, that British designer John Barnard had only to provide a skin with which to cloth a pre-ordained anatomy of cockpit, gearbox and engine. The latter, with its matt-black cast-iron and curling pipes of gleaming, patinated aluminium, is one of the most pleasing objects in the show.

Ferrari's first production car, represented here by a 166MM of 1950 with a *Barchetta* or little boat body, was both racer and road car. Its fluid curves and elegant streamlining speak of the 1950s aesthetic of speed. This is pure sculpture. Its form is determined not by the effects of wind, drag or downforce but by the desire to create an object of beauty. Like bronze sculpture, the steel shell was even hammered into shape by workmen. As a result, no two cars are the same. As befits this more innocent age, design drawings are executed in childrens' coloured pencils. Federico Formenti's design for the spyder version in 1948 endearingly includes a driver drawn to scale sporting helmet and goggles.

Racing and road car design was soon to take divergent paths. The F40 here was made to celebrate Ferrari's 40th year, one of a limited edition of 1,000. When the F40 made its debut a year before Enzo Ferrari's death in 1988, it was said to be the fastest road car available. Once again, Ferrari had brought to the production car a technical standard of performance only usually found in a racing car. Unsurprisingly, the F40 looks just like one.

Given the dependence of their design on our understanding of physical laws, Formula I racers inevitably look very much alike. There is no comparable conformity of design for high performance passenger sports cars. Optimal performance is compromised by considerations of space, comfort and the ability to travel at low speeds. In this market, styling is crucial.

Virtues are made out of necessities. The F40's most distinctive feature – the 13 scooped-out triangular air vents that cool the powerful turbo-charged engine – are purely functional. In its overall design the F40 bears the unmistakable imprint of the 1980s with its tight-waisted, lipstick-glossy body, awkward elbows and aggressive angles. There is no doubt that this is a flashy and mean machine.

As guests at the private view cooed over the soft curves, leather lining and glinting marine tints of the *Barchetta*, the American Modernist architect Philip Johnson, admiring the F40, assured me that "in 40 years time, this is the car that everyone will prefer."

Susan Moore

Designed for Speed, made possible by a grant from Ferrari S.p.A., continues at The Museum of Modern Art in New York until March 1, 1994.

Recital/**Richard Fairman**

Sergey Leiferkus

Although the freedom to travel has encouraged ever more striking young Russian singers to forge careers in the West, those who managed to establish themselves in the dying days of the communist era still hold their place proudly. Among the many baritones, Sergey Leiferkus remains supreme on the international stage.

It is almost ten years since I first heard Leiferkus in *Aida* at the Maryinsky (then Kirov) Theatre in St. Petersburg. The voice did not seem especially large at that time, but it had a flawless focus of sound that left no doubt as to its quality. His encore from *Yevgeny Onegin* at his Wigmore Hall recital on Wednesday told of the same strengths – concentrated force of tone, ringing top notes, beyond the limits of his younger rivals.

It would be easy to talk about nothing but the basic quality of his voice. Its brilliance, as though singing with the spotlight turned full on, is unlike any other baritone in the profession today. But this recital of songs by Tchaikovsky and Rakhmaninov displayed colourings, variations, shadings of the voice that are now just as important.

One reason may be that it has become a deeper baritone than it used to be. The words "Say, I love" in his second Rakhmaninov song were spoken in a strangely hollow, husky tone, so as to convey something of the poem's hints of masochism. The central stanza of "Fate", when the poet talks of sunset growing dark behind the wood, became warm, tender, dusky. The scalding mockery of "Christ is risen!" was aflame with white-hot vocal intensity.

Almost every colour was there – the one exception being a truly hushed, inward feeling, which Leiferkus uses sparely. Even when he did find it for Tchaikovsky's desolate "Again, as before, I am alone", it is worth remembering what his compatriot Olga Borodina has achieved in the same song. Where Leiferkus was soft-edged, withdrawn, keeping Tchaikovsky cocooned in his own private world with eyes closed, Borodina peered openly into the black depths of despair.

Comparisons, though, rarely go against Leiferkus. Perhaps the programme included an undue number of songs that ended with a chance to show off those impressive top F's and G's. Otherwise, this recital, gloriously sung, tellingly interpreted, and with an able accompanist in Semion Skigin, showed Russia's leading baritone at the peak of his art. It is excellent news that he is to record the songs of Musorgsky. The other Russian song composers should follow soon.

Museum of London music festival

A world music festival celebrating the capital's abundance of traditional music is to be held on November 20-21 at the Museum of London. A part of the museum's new exhibition, *The Peopling of London*, it includes music from Irish, Jewish and Somali groups.

On the Saturday Taxi Pata Pata present jazz from Zaire in an evening concert. On Sunday afternoon, broadcaster Andy Kershaw presents traditional London music which includes Dishari, an East End ensemble playing Bengali folk music and Royte Klezmores, an all woman East European trio playing wedding music. Entry on Sunday is free.

The main exhibition, which runs until May 15 1994, looks at London's current ethnic and cultural diversity in the historical perspective of 15,000 years of settlement from overseas.

The Peopling of London, Museum of London, London Wall, London EC2.

INTERNATIONAL ARTS GUIDE

LOUVRE

Next Thursday promises to be an important milestone in the development and extension of the Louvre in Paris. The Richelieu wing, for years occupied by the French Ministry of Finance and now converted into gallery space, will be inaugurated by president François Mitterrand, at a ceremony marking the 200th anniversary of the conversion of the former royal palace into a museum.

With an extra 22,000 sq metres of space, the Louvre now overtakes the Metropolitan in New York as the biggest museum in the world. The Richelieu wing houses collections of Islamic art, medieval art (including the Treasure from the Abbey of Saint-Denis), paintings from the Northern Schools and French paintings from the 15th to 17th centuries.

The interior of the wing has been largely remodelled by the removal of modern interior walls and false ceilings. Only the salon of Napoleon III and the staircases leading to the second floor have been retained. The most dramatic innovation is the creation of three covered courtyards. Two of them display French sculpture under gigantic glass roofs, while the third is a reconstitution of two facades of the Assyrian palace of Khorsabad, with its monumental winged bulls.

Another novelty is an escalator to take visitors from the pyramid to the top floor of the Richelieu. I M Pei, the Chinese American architect who has been consultant and coordinator for the rebuilding, believes the escalator is the only way to ensure that a significant number of visitors bother to travel to the top-floor paintings section.

There will be a new exhibition space in the Cour Carrée in space freed by the removal of the early French works. Every month, the room will host a 'painting of the month', a work which has been newly acquired or restored or attributed, complete with explanatory texts. The first is a view of the Salon Carré by 18th century French artist Gabriel de Saint-Aubin, which was purchased this autumn.

■ EXHIBITIONS GUIDE

BALTIMORE
Walters Art Gallery Sacred Art of Ethiopia: an exhibition tracing the Christian history of Ethiopia through 100 icons, illuminated manuscripts and liturgical goldsmiths' work from the fourth to the 18th centuries. Ends Jan 9. Closed Mon
Museum of Art William Paley Collection: 70 works by Cezanne, Matisse, Picasso and others. Ends Jan 9. Closed Mon and Tues

BARCELONA
Museu Picasso Picasso and the Bulls. Ends Jan 9. Closed Mon (Carrer Montcada 15-19)

BOLOGNA
Museo Civico and Pinoteca Ludovico Carraci (1555-1619): an attempt to improve the image of the less gifted member of an extraordinary family. Ludovico remained in Bologna, while his better-known cousins, Annibale and Agostino, were head-hunted by Cardinale Farnese to decorate his Roman palace. Ends Dec 12.

CHICAGO
Art Institute Max Ernst. Ends Nov 30. Daily

DORTMUND
Museum für Kunst China's Golden Age: 120 art objects from the Tang Dynasty (AD618-907). Ends Nov 21. Daily

FLORENCE
Galleria del Costume di Palazzo Pitti Fashion at the Court of the Medicis. Ends Dec 31.
Museo Pecci Robert Mapplethorpe. Ends Jan 7. Closed Tues

HILDESHEIM
Roemer und Pelizaeus Museum Bernward of Hildesheim: silk, crystal, illuminated manuscripts, wall coverings, goldsmiths' work and other treasures marking the 1000th anniversary of the influential bishop. Ends Nov 28. Daily

LAUSANNE
Musée des Arts Decoratifs Contemporary Japanese Posters: 100 examples illustrating the more subtle style of oriental poster culture. Ends Jan 2. Closed Mon
Musée Cantonal des Beaux-Arts François Bocion: 80 paintings of western Switzerland by the 19th century artist and his contemporaries. Ends Nov 28. Bill Viola (b1951): installations by the American video artist. Ends Nov 26. Closed Mon

LONDON
Victoria and Albert Museum Art of Holy Russia: the most revelatory exhibition in London this year, comprising paintings, embroideries, sculptures and liturgical objects from the vast collection created a century ago in St Petersburg by Tsar Alexander II. Ends Jan 8. Daily
Accademia Italiana Renaissance Florence: The Age of Lorenzo the Magnificent 1449-92. Ends Jan 23. Daily
Royal Academy of Arts Great Master Drawings from the Getty Museum. Ends Jan 23. American Art in the 20th Century. Ends Dec 12. Daily
Whitechapel Art Gallery Lucian Freud. Ends Nov 21. Closed Mon
Tate Gallery Ben Nicholson. Ends Jan 9. Daily
British Museum Drawings from Chatsworth. Ends Jan 9. Daily
Marlborough Fine Art Francis Bacon: portrait studies. End Dec 3.
Hayward Gallery Alphonse Mucha: retrospective of the Czech Art Nouveau artist. Ends Dec 12. Roger Hilton: 100 works by one of the most vital British painters of the postwar period. Ends Feb 6. Daily
National Portrait Gallery Thomas Eakins: retrospective of the 19th century American portraitist. Ends Jan 23. Daily
National Gallery The Wilton Diptych. Ends Dec 12. Ken Kiff: a sampling of the work of the Gallery's second associate artist. Ends Jan 9. Daily

MANCHESTER
City Art Gallery Europe Without Walls: art, cartoons and posters reflecting the momentous events in eastern Europe in 1989 and the tensions they unleashed. Ends Jan 16. Daily

MANNHEIM
Reiss-Museum The World of the Maya: 300 examples of early Indian art from Central America before the Spanish conquest. Ends Jan 16. Closed Mon

MANTUA
Palazzo Te Giulio Romano: drawings by Raphael's most distinguished pupil, many of them preparatory studies for the frescoes in the glorious Gonzaga hunting lodge nearby. Ends Nov 21. Closed Mon

NEW YORK
Museum of Modern Art Joan Miro. Ends Jan 11. Robert Ryman. Ends Jan 4. Closed Wed
Metropolitan Museum of Art The Annenberg Collection. Ends mid-Dec. Master Drawings of the Hudson River School. Ends Dec 26. Closed Mon
Guggenheim Museum Roy Lichtenstein. Ends Jan 16. Industrial Elegance: objects of everyday mechanical beauty selected by 63 architects and designers. Ends Jan 23. The main museum is closed on Thurs, the SoHo site on Tues
Whitney Museum of American Art Mike Kelley (b1954): 170 paintings, drawings, sculptures and photographs by the Los Angeles artist. Ends Feb 20. Arshile Gorky's Betrothals. Ends Jan 9. Closed Mon

PARIS
Versailles Palace Versailles and the Royal Tables of Europe from the 17th to 19th centuries: against a magical decor, around 1000 exhibits of French silverware and Sèvres porcelain bring back the splendour of royal table settings which, in the image of Versailles, shone from Portugal to Denmark, from Austria to Russia. Ends Feb 27. Closed Mon
Musée d'Orsay From Cézanne to Matisse: Masterworks from the Barnes Foundation. Ends Jan 2. Closed Mon, late opening Thurs (reservations: 4410 7300 or at Fnac shops)
Grand Palais Les Nabis. Ends Jan 3. Closed Tues, late opening Wed
Petit Palais Masterworks from Leipzig. Ends Dec 5. Closed Mon

PARMA
Magnani Rocca Foundation The Barilla Collection of Modern Art: paintings and sculptures by Picasso, Dubuffet, De Chirico, Magritte, Bacon, Sutherland and many other 20th century artists. Ends Nov 28. Closed Mon

RIMINI
Museo Civico Guido Cagnacci: 50 works by the painter of the most sensual female nudes of the entire baroque era. Ends Nov 28

WASHINGTON
National Gallery of Art The Age of the Baroque in Portugal. Ends Feb 6. John James Audubon. Ends Jan 2. Cesarini Venus: Giambologna's marble masterpiece (c1583) is the centrepoint of an exhibition focusing on the female nude. Ends Jan 17. Daily
Hirshhorn Museum Willem de Kooning. Ends Jan 9. Daily
Arthur M Sackler Gallery The Divine Word of Islam. Ends Jan 2. Daily
National Museum of American Art Arvin Gottlieb Collection: 22 paintings by artists who worked in New Mexico 1900-1940 and were captivated by the dramatic landscapes and native cultures. Ends March 20. Daily
Phillips Collection The Migration Series: 60 panels of Jacob Lawrence's epic painting of the flight of African Americans from the rural south to the industrial north. Ends Jan 9. Images of the American Scene in the 1930s and 40s: watercolours, drawings and lithographs from the permanent collection, complementing the Migration pictures. Ends March 6. Daily
Renwick Gallery Arts and Crafts Movement in California: 200 objects of artistic and historical significance, including pottery, furniture, silver and metalwork. Ends Jan 9. Daily

A steely glint in its eye

Angus Foster on the revival of a loss-making Brazilian industry

Brazil's newly privatised steel industry has become a highlight of an otherwise inflation-racked economy. After a decade of under-investment, price controls and mounting losses, the sector is expected to have its most profitable year since the 1970s.

The costs of this transformation, in terms of job losses and social disruption, have been heavy. But industry and union leaders now admit that the changes were needed for the industry to survive. "Brazilian society was paying for our losses. Now we employees realise the future is in our hands," according to Mr Wilson Brumer, president of specialist steels company Acesita. The company was privatised last year and returned to profit in the second quarter of this year. It made US$13.3m profits in the first nine months of this year, compared with losses of $84.8m in the same period last year.

"We survived instead of died, partly because of the 8,000 people who lost their jobs," says Mr Luiz de Oliveira Rodrigues, president of the metalworkers union at Companhia Siderurgica Nacional, the country's largest steel producer. Since 1990, when CSN made a loss of $729m, it has cut its workforce by a third, and this year is likely to announce record production and profits of more than $50m.

The change in fortunes for the sector, which ranks as one of the top 10 in the world in terms of crude steel production, started in 1990. The government, which owned eight steel companies including the country's six largest, announced that steel was to start off an ambitious privatisation programme. The process was completed in September with the auction of Acominas, the last company to be privatised, at a 90 per cent premium to the government's minimum asking price.

The sector was chosen because, with some exceptions, it was losing the government millions of dollars each year. This was partly due to poor management and partly due to political interference, which included price controls and job security rules. Mr Eduardo Modiano, in charge of the early stages of privatisation as ex-president of Brazil's development bank, says that since the industry was set up 50 years ago governments have pumped US$28.5bn at prices of the day into the companies that have now been privatised. In the same period, the companies returned dividends of only $500m to the government.

Ashley Ashwood

Steel sale: Acominas was the last in the privatisation process

Persuading managements and unions of the need for privatisation was difficult. Steel was an important symbol of the country's industrial emergence after the second world war. The sector also possessed some of the country's most radical unions. A bomb exploded ahead of the first privatisation, the 1991 sale of Usiminas, and there were regular displays of violence at subsequent auctions.

The programme was successful mainly because the early examples were seen to work. Once freed of price and other government controls, companies were immediately able to restore margins and profitability. They were also able to address the inefficiencies which had built up in the public sector.

Mr Roberto Procópio de Lima Netto, president of CSN since 1990, started paying suppliers on time. This led to immediate savings, as the suppliers cut their prices. They had previously included a premium when supplying state companies because of slow or non-payment. CSN's staff cuts, which saved about $10m a month, were unpopular. But CSN used some of the money to pay seven months of salary arrears to its remaining workforce. Support for Mr Procópio gradually grew.

In all privatisations, shares were reserved for workers. CSN's employees control one of the company's largest shareholdings, with 22 per cent, of which half is held through pension funds. Mr de Oliveira Rodrigues has also become a member of the company's administrative board. "The new philosophy is of partnership," he says.

Usiminas was seen as one of the most efficient companies, partly because of a long-standing technical relationship with Nippon Steel of Japan, which is also a 14 per cent shareholder. But according to Mr Rinaldo Campos Soares, president, the company was immediately able to introduce cost savings of about $15 a tonne, or about 5 per cent of total cost, through renegotiated supply contracts and improved purchasing. Before privatisation, all purchases had to be auctioned, and the cheapest bids had to be accepted even if the quality was poor.

"Privatisation allowed the company to be more flexible. The state had become a burden and the company couldn't grow any more," he says.

Cost savings and productivity at Acesita, Latin America's only producer of stainless steel, have been even more sudden. The company had been paying 33 per cent real interest rates on its borrowings. This figure has been reduced to 12 per cent which, while still burdensome, has already saved $40m a year in lower interest charges. Productivity in the first nine months of the year has increased 50 per cent, of which only half is due to staff cuts. "With 25 per cent fewer people, we're producing more," Mr Brumer says.

These improvements in productivity and efficiency helped profitability, even if some savings were unrepeatable and the improvements were measured against a low base. More important were the big cost advantages Brazil's steel industry enjoys, and which were masked by state ownership. As the world's largest iron ore producer, Brazil's steelmakers pay about half the average world price because of minimal transport costs. Although levels of labour productivity are low, so are wages and electricity costs. As a result, Brazilian exports are increasingly price competitive and increased 10 per cent to $1.75bn in the first half of the year.

But the domestic market, still protected by average tariffs of 14 per cent and high transport costs faced by potential importers, is more attractive, because it allows high margins. Mr Pacifico Paoli, managing director of Fiat of Brasil, Usiminas's largest customer, says there has been a "tremendous" jump in efficiency since privatisation, although this has not translated into lower prices. "They still try to get the advantages of the world market price."

Mr François Moyen, president of Belgo-Mineira, a private sector steel and related products group, says the main problem facing the industry is the country's economy. With per capita steel consumption at less than 10 per cent of the levels of developed economies such as Japan's, he and other industry figures talk of the domestic market's "huge opportunities". "But the potential is linked to growth in GDP and that's the problem: when is the country going to grow?" he asks, highlighting Brazil's overall economic uncertainty.

Joe Rogaly

Nails in the cabinet

The British government operates in a "well nigh permanent atmosphere of crisis". I take the phrase from Lord Hailsham, who deployed it in a celebrated lecture on the cabinet seven years ago this week.

If that was true of the then Mrs Margaret Thatcher's administration, which rested on a majority of 100-plus, it is doubly so of Mr Major's, which has a theoretical majority of 17, constantly threatened by around a dozen potential rebels and usually supported by Ulster Unionists. You would not get this impression from the son-of-Hailsham lecture given by Lord Wakeham on Wednesday night. The latter is not only the leader of the House of Lords, but also "Lord Privy Seal", which means that he can be deployed as chairman of many of the committees of the cabinet that the prime minister himself does not head.

Lord Wakeham paints a picture of a smoothly functioning team, every member of which is devoted to the doctrine of collective responsibility. Departmental ministers take the lead in presenting policies, first by circulating written proposals to other heads of department who may have an interest and subsequently by appearing before the relevant cabinet committee. As I read him, ministers are the engines of government. Often, his own chairmanship oils the wheels. The Treasury is the brake.

The unspoken subtext of the Wakeham address, delivered at Brunel University, Middlesex, is that while Mrs Thatcher tried to dominate the proceedings, and resorted to *ad hoc* committees as a means of avoiding awkward discussions, nice Mr John Major adopts a more conciliatory, structured approach. Conciliatory yes; structured maybe. There is no hint of any forum in which our elected political servants, possessed of sufficient back-up, can enjoy an open and prolonged discussion on topics of importance. Brainstorming – just kicking a proposition around – is hardly possible. Nobody has the time. The civil service, which likes to maximise paperwork, would not permit it. Departmental boundaries are uncrossable. The atmosphere of panic prevails.

To be fair, the Lord Privy Seal does not pretend that the cabinet runs the country. It only meets for a few hours on Thursday mornings. There would be no time in which to get much thrashed out even if there was a willingness to let such a thing happen. Take the "unified Budget", which has been introduced this year. A simultaneous announcement of spending and taxing plans is due at the end of the month. Yet the actual Budget will not be seen by non-Treasury ministers until the morning of the day of its delivery to Parliament. In short, the cabinet has a light supervisory role. It can sometimes be the scene of genuine argument, as may have been the case with spending this year, but, as Lord Hailsham discerned in 1987, the real work is done by subcommittees. Cabinet government, he said in his Granada Guildhall lecture, "is one of the permanent gifts conferred by British political genius on the science and art of civilised government".

There is no hint of any forum in which our elected political servants can enjoy an open and prolonged discussion on important topics

You have to be English to appreciate just how the shape of that gift has evolved. Although nominated by the prime minister, British ministers are each appointed separately under the royal prerogative. If you follow Lord Hailsham's account, the office held by Mr Major arose out of an accident of history. It happened in 1714, when the Elector of Hanover became George I. Since he could speak no English, and was obliged to converse with Walpole in dog Latin, the latter presided at ministerial meetings. It took two further centuries of rolling English constitution-making for the title "prime minister" to be given legal recognition. The original honorific, "first lord of the treasury", was retained alongside the new one. In the 19th century Gladstone wondered whether a prime minister – first lord – had the right to fire ministers he had invited to join his cabinet. Today, as Lady Thatcher can attest, dismissals are free, but each one creates an enemy on the backbenches.

All British prime ministers must at one time or another have longed for the brutal simplicity of the American method. When Mr Richard Nixon was re-elected in November 1972, a form was handed out stating bluntly that "every appointee of cabinet rank will be expected to be the president's man in the department and not the department's advocate to the president". A box was provided alongside this and other, similar instructions for newly appointed ministers to tick. That would show that it had been read, understood and accepted.

The Nixon method was Mrs Thatcher's aspiration, but in fact British government works the other way around. Departments capture all but the most powerful ministers, and send them forth into Whitehall to represent the interests of their clients. The transport ministry represents road construction companies; defence, weapons suppliers; agriculture, farmers; the department of industry – if Mr Michael Heseltine, looking fit and relaxed, has anything to do with it – British industry.

You could characterise, if not caricature, parts of the current system thus: lobbies for interested companies and trade associations plant ideas on officials, who put them up to ministers. When privatisation is involved, some public servants, and some politicians, eventually make their fortunes by taking jobs with the newly created companies. Placing lucrative contracts can also help. Companies that benefit support the governing party. The balancing factors are, first, strongly motivated ministers who do not need the money (among whom I would number the president of the board of trade) and, second, the daily, anxious count of Conservative backbench votes.

The chief whip, Mr Richard Ryder, has more to say about the constant panic in Whitehall than perhaps any other player. His calculations will determine whether the post office can be privatised (no), London's buses can be deregulated (no) or the government can afford to put up an imaginative, wide-ranging programme in next week's Queen's speech (no). Only Mr Kenneth Clarke is theoretically beyond this constraint. If the chancellor, backed by Mr Major, cannot get his Budget, whatever it says, through the house, the government will surely fall. You can, however, bet that even now he is counting votes.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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TV cannot offer depth of written history

From Hilary Perrott.

Sir, Christopher Dunkley ("A season of excellence from the BBC", November 10) claims that television can be a better medium than the written word for presenting modern history. There is no doubt that the series upon which he bases this idea (*Thatcher: The Downing Street Years*) is a remarkable piece of television, and, more than that, a devastating exposé of the former PM's style of government.

But surely no television programme, however well-balanced and illuminating, can ever approach the depth of a written history? A span of time needs to pass before the Thatcher years can be analysed and their full impact assessed. In 50 years, when an arm's length survey is written, a historian will certainly be able to use the material presented in the television series, and may even draw upon Thatcher's autobiography (though that would seem to be of limited usefulness), but one hopes that he or she will employ an equal scepticism in viewing the contributions of all participants in those tangled times.

Hilary Perrott,
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Sugar wrong about Labour in Europe

From Mr John Tomlinson MEP.

Sir, Is Mr Alan Sugar (Letters, November 10) a politically motivated knave, a fool, or both? Or is he merely bringing the same level of competence to his letter writing as he does to his negotiation and management skills of Tottenham Hotspur FC?

John Smith, leader of the Labour party, was at the same congress of the party of European Socialists as I, and presumably agreed the same manifesto as I had in my file: Mr Sugar's view of its commitments is both inaccurate concerning detail and tendentious concerning meaning.

If he wants to write a more reflective piece on what is a very good common manifesto based on its real rather than imagined content I will happily supply him with a copy upon receipt of a stamped addressed envelope.

In the meantime either his company or Spurs needs his care and concern more than the Labour party. Even if he feels compelled to venture into political advice, recent opinion polls suggest that the government needs wisdom – his or anyone else's – rather than other potential beneficiaries of his no doubt altruistic but nevertheless ill founded letter.

John Tomlinson,
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Culture in industry

From Mr Peter Wood.

Sir, Professor Leslie Hannah's reference to "many decades of domination of industry by the public school elite" ("Old boy network...", November 10) hardly sounds like an "anti-industrial culture", while Nigel Rudd's claim that "there's certainly an anti-industry culture in the British upper classes" appears to be a misunderstanding of those "many decades", inspired perhaps by easy acceptance of Martin Wiener's thesis about British industrial decline.

The 1968 Royal Commission on Public Schools showed that more than 70 per cent of the directors of prominent companies came from the public schools. The social historian, Harold Perkin, notes that by the late 1960s "the public school men were dominating the commanding heights of all the major professional and managerial hierarchies, and it was no longer true that they neglected business".

Dr Perkin also shows (*The Rise of the Professional Class*) that while British aristocracy has traditionally been entrepreneurial, the anti-industrialism detected by Wiener is related to penetration of British business by the public service ("wet") ideals inculcated by the public schools in their mainly middle-class intake.

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Failure of bank argument

From Mr Charles Burrows.

Sir, Samuel Brittan's Economic Viewpoint (November 4) contained an excellent evaluation of the potential problem of deficient demand and he naturally followed this with yet another call for (the sensible) targeting of nominal gross domestic product.

However, he failed to show how his throw-away remarks about the need for an independent central bank followed in any way from the previous analysis. In particular, if nominal GDP is to be the target, how is a central bank, which only has control over monetary policy, supposed to achieve its target? Surely a pursuit of a nominal GDP target requires both fiscal and monetary levers?

Furthermore, in continuing his metaphor about the 1930s, Samuel Brittan fails to explain what happens when it is the independent central bank which is more worried about communism (read inflation) as in federal Germany today?

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Paying for performance

From Mr Peter M Brown.

Sir, I look forward to your further articles on Performance Related Pay and would offer the following reasons for the beneficial spread of the concept even if, to date, many schemes have not achieved all their objectives.

1) We have returned some power from shop stewards to first line foremen and clerical unit managers. To strengthen their position companies have passed more discretionary award recommendations to this crucial group

2) As part of this exercise annual performance appraisals are much more widespread than in 1980 and appraisals without some potential personal benefit are like dough without yeast, soggy and often undertaken by both sides as a perfunctory exercise.

3) The empowerment of remuneration committees has resulted in a spread of PRP culture. I am willing to bet that 99 per cent of boards with such a committee use some form of PRP as simply salary vetting reviews, and changes to pension rules are not a sufficiently "high fibre diet" for active non-executive directors.

4) Avoiding the current and future pension costs of higher fixed salaries is a major issue as companies fight to control their cost base. PRP, which is often not pensionable and moves with cash flow, gives employees an indirect stake in decision taking. Its increased use could save some jobs and companies from being sacrificed through over-pricing. You have only to look at the inroads PRP-based contractors have made in contracting out services from rigid salary organisations like councils and the uniformed services to see that those organisations could have maintained their own staffing if they had been more willing to establish a flexible structure.

Peter M Brown,
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Hutchison digital network

From Mr Hans Roger Snook.

Sir, Lex's note on Hutchison and Mercury (October 6) stated that "the two digital networks cover complementary geographical areas..." This implies that the Hutchison PCN network does not cover London or within the M25. In fact the Hutchison digital PCN network as currently deployed covers not only London, but offers ubiquitous coverage within and beyond the M25. Our own tests have indicated that Hutchison coverage in London and within the M25 is currently better, and offers better in-building penetration than Mercury's One-2-One network.

Given this fact, speculation that the two networks might be merged is totally unfounded. Although there would be an obvious benefit to Mercury One-2-One subscribers to be able to roam on to the Hutchison network, there would be no benefit whatsoever to Hutchison subscribers to roam on to One-2-One's network. I would say this puts the odds in Hutchison's favour for generating subscribers, and also makes us the stronger, not Mercury. I agree, however, that Mercury presently has the far stronger brand name, but we do intend to change that over time.

The Hutchison PCN network will, at launch, cover London, everywhere within the M25, the south east, Bristol, Birmingham, Manchester, Leeds, Edinburgh, Glasgow, and all main connecting routes and roads (ie 50 per cent of the population.) By the end of 1994 we will cover fully 70 per cent of the UK population, and will continue to roll out to 90 per cent. This is not a "negotiating tactic" or a "bluff" as the article suggests. More than 1,000 sites have already been acquired, and more than 700 have equipment installed.

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FINANCIAL TIMES

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Friday November 12 1993

Change at the stock exchange

THE THREE words the new chief executive at the London Stock Exchange said most frequently yesterday were "I don't know".

In part, they reflect Mr Michael Lawrence's prudent desire, given the three months that will elapse before he takes office, to give no hostages to fortune. In part, they reflect a genuine lack of knowledge about the inner mysteries of the stock market from someone who has spent his career as an accountant and finance director.

But most of all they reflect a determination, it would seem, to hold nothing sacred – not the tasks of the exchange itself, nor the structure of its governance, nor whether it has a part to play in providing settlement or any other particular services. Only the exchange's role as the central marketplace is not up for discussion.

Such open-mindedness is refreshing: part of the exchange's problem in recent years has been a partisan enthusiasm, shared by outside observers as much as by members and officials, to take sides over individual aspects of the exchange's role.

But it is also potentially destabilising: the exchange has gone through at least two agonising reappraisals of its future in the last few years, and the revolving door of senior executives has only recently slowed to a manageable speed. Few could blame staff and market participants from groaning at the thought of another 18 months of "recasting the exchange's role", as Mr Lawrence put it yesterday, coinciding with the arrival of a new chairman.

So though Mr Lawrence must certainly help the exchange to establish the clear vision of its future that has so far escaped it, he must also focus on the day to day. That means getting closer to achieving the excellent service that alone can offer a defence against emerging non-exchange trading systems. It means building the exchange's own new computer trading support system to replace SEAQ, and making its voice heard more clearly in the debates over financial services regulation and corporate governance.

Most of all, though, it means holding the ring between the interests of the exchange's own members – brokers and market-makers – and those of investors and quoted companies. Mr Lawrence says he will enjoy this aspect of his job.

Just as well: his predecessor's tenure, cut short by the collapse of the Taurus project, was in any case threatened by disagreements among the exchange's constituencies. Mr Lawrence must manage those relationships better, giving proper weight, despite his time at the top of Britain's largest institutional investor, to the neglected needs of individual share-owners.

Without such even-handedness, the new chief executive will be unable to achieve his aim of re-establishing the exchange's leadership in the City. Leadership is earned by deeds, as well as words. Initial ignorance, real or feigned, is no barrier to this – as long as it is accompanied by a willingness to listen and a refusal to take sides.

Perfume cartel

THE MONOPOLIES and Mergers Commission investigation into the UK perfume industry has a rather bad smell about it. The MMC's overall conclusion that the industry's restrictive practices are not against the public interest does not flow naturally from its own detailed arguments. The case also raises concerns that UK competition policy is being hampered by decisions in Brussels.

The investigation centred on complaints that perfume houses were refusing to supply Superdrug and Tesco, "grey market" retailers which sell scent at a discount to recommended retail prices. The Office of Fair Trading was worried that such restrictive distribution practices were keeping prices artificially high.

The MMC went along with much of the OFT's analysis. It argued that the industry's practice of recommending prices was uncompetitive. It noted that authorised perfume retailers had discussed in their trade association how to choke off supplies to the grey market retailers. Its own independent research showed that Superdrug's outlets were of a better than average quality, undermining a key industry argument that restrictive distribution was designed to ensure high-quality sales outlets. The MMC even concluded that the practice was designed to maintain and exploit a complex monopoly.

But the MMC decided none of this was against the public interest for three reasons. First, the UK market had become more competitive in recent years. Second, the industry's restrictive distribution systems had recently been cleared by the European Commission. Third, there was no clear evidence that the practice was designed to maintain resale prices.

While it is true that the market has become more competitive, that is in large part due to the activities of Superdrug whose ability to sustain vigorous competition will depend on securing ready supplies in future. As for the lack of clear evidence, that is debatable given much of the detail in the MMC's own report.

But the wider concern surrounds the MMC's apparent willingness to accept European Commission rulings in an investigation which related to the UK market alone. This undermines the principle of subsidiarity, enshrined in the Maastricht Treaty, under which decisions are supposed to be taken at a national rather than European level wherever practicable. Similarly, it throws into doubt the EC competition authorities' stated intention of transfering responsibilities to national authorities.

It may be that a desire to avoid a conflict with the European Commission was not decisive in this case and that the MMC would have taken the same view anyway. But open conflicts between national and European competition authorities are unlikely to be side-stepped in future. A clear division of responsibilities must therefore be agreed which puts flesh on the subsidiarity principle.

Latin autocrats

MOST LATIN American governments will welcome President Clinton's revival of the idea of a western hemisphere free trade area first proposed by his predecessor, George Bush. Unfortunately, this particular revival will last barely one week if the US House of Representatives votes down the North American Free Trade Agreement on Wednesday.

The US Congress is not the only obstacle. The idea assumes the existence of a community of market-oriented democracies in Latin America. But while most governments of the region are now elected, the authoritarianism of past decades has not been buried.

The continued attraction of autocratic or charismatic leaders arises not least because of the poor performance by many elected governments. Electorates have been given too many reasons for viewing politics as a stale confrontation between government institutions remote from them.

This fatigue with the political system is why Peruvians were willing to back the overturning of constitutional order by President Alberto Fujimori in April 1992, and to support his new constitution (if in rather a lukewarm fashion) in last week's referendum. It is also why Venezuelans did not react more strongly to the threat to democracy posed by two military coup attempts last year, and why a politician – Rafael Caldera – offering more in the way of *personalismo* than policies is leading the field in next month's elections.

Yet the exercise of personal power damages prospects for what Latin America really does need: more representative democratic institutions, fair legal systems and freedom from the uncertainty bred by authoritarianism.

Fortunately, the continued allure of the autocrat is not the only thing happening in Latin America. In many countries, Venezuela and Brazil being two, government is being decentralised and people given the right to elect their local political leaders. Elsewhere, politicians are giving thought to legal reform.

A legal system subordinate to the executive, along with a corrupt judiciary offers a poor environment for the development of the market economies most Latin American governments now say they want. Contracts become impossible to enforce reliably. Credit becomes hard to get and expensive, because it is difficult for lenders to pursue claims for collateral.

Without a proper institutional background, the long-term private investment Latin America desperately needs will, in these days of free global movement of capital, find another home.

It has often been argued, from both the left and the right in Latin America, that an authoritarian system is necessary to sustain economic freedom and a market economy. If it were ever true, it looks a dubious proposition today. Markets need rules and they need an effective state to enforce them, but they are endangered by the arbitrary exercise of power.

A victory for fine fragrance houses might not mark the end of the war, say **Guy de Jonquières** and **Robert Rice**

Perfumes' fate sealed with a sniff

The world's biggest perfume manufacturers are savouring the sweet scent of victory after the Monopolies and Mergers Commission report yesterday on fine fragrances; while Superdrug, the discount chain which has been their most persistent critic, ponders the sour smell of defeat.

By exonerating the manufacturers of using anti-competitive practices to overcharge consumers, the report has removed the threat of an unseemly price war which would severely damage the industry's profits, undermine its distribution methods and cheapen the exclusive image of its brands.

For Superdrug, part of the Kingfisher retailing group, waging a high-profile campaign to force leading perfume houses to supply it directly, the decision is a sharp disappointment. "The MMC report has left us high and dry," the company said.

However, though the perfumiers have won the battle, it may not mark the end of the war. The perfume houses' traditional way of doing business is likely to remain under continued challenge, both in the courts and as a result of the changing nature of the industry.

The issues at stake are unusually complex. Not only are the methods used to market and distribute perfume probably unique in industry, but the legal picture is confused by the overlap between the European Union and national competition law.

Indeed, to a far greater degree than any other recent monopolies case, the perfumes affair underlines the difficulty of applying to competition policy the European Union's principle of "subsidiarity", which seeks to leave many decisions to national authorities.

In weighing its decision, the commission was obliged to recognise that its scope for action was to some extent limited by the fact that the European Commission had already exempted the distribution of perfumes from the full force of competition law.

The exemption has taken the form of approved agreements which permit perfume houses to restrict supplies to retailers meeting certain standards – stocking a broad range of products, displaying them in acceptable conditions and using trained staff to sell them.

Such agreements have also been allowed by Brussels in other industries, such as cars and consumer electronics. However, in most cases they are permitted on the grounds that the products are complex and need after-sales service.

In perfumes, however, the justification is that the products are luxury goods, which depend for their appeal on an aura of exclusivity maintained by high price, large investments in marketing and a sophisticated sales environment.

This argument was accepted by the MMC, which acknowledged the importance of snob value to the success of perfumes, which it termed "a conceit, a confection created as much by the copywriter as the *parfumeur*." High prices, the commission agreed, were a vital part of the formula.

That, however, is not a universal view – even inside the European Commission, where some officials believe the perfume regime owes more to skilful lobbying by a small band of predominantly French producers than to the alleged uniqueness of the product.

Some retailers and consumer organisations go further. They insist the perfume industry's main objective is to keep profits artificially high by refusing to supply stores which sell at cut prices.

Though the MMC found no evidence to support this accusation, it is at the heart of a pending European Court case brought by Leclerc, a large French supermarket chain. Leclerc is challenging Brussels' approval of selective distribution agreements used by Yves Saint Laurent and Givenchy, two leading perfume houses.

Should the court find in Leclerc's favour, the whole issue of special treatment would be reopened and Brussels could be forced to re-examine its policy of exempting other industries from competition law.

Some similar issues are raised by another legal battle, over the ice cream market. Mars, the US confectionery company, has brought actions in Brussels and European capitals challenging the distribution policies of Unilever, the Anglo-Dutch consumer products manufacturer which is the world's largest ice cream maker.

Mars claims Unilever is restricting competition by preventing rival brands from being stocked in the freezer cabinets it supplies to many small retailers. The case is being investigated by both the European Commission and the MMC.

The dispute also centres on how far it is legitimate for producers to control access to distribution channels in which they have invested heavily, and may pose a further test of the jurisdictional boundaries between European and national competition authorities.

Whichever way the legal arguments go, the perfume industry faces mounting pressures on other fronts. Recession has depressed demand, leading to sharp drops in sales volumes which have only partly been offset by higher prices.

Manufacturers everywhere are being forced to run harder. In an effort to win back consumers, they have sharply stepped up new product launches. In Britain, where there are more than 400 perfume brands on sale, there were 92 launches between 1990 and 1992, almost three times the number in the previous three years.

Though perfumes cost little to develop and produce, the investments needed to market them can be huge. In Britain, according to the MMC, perfume manufacturers last year spent on marketing almost half as much as they earned in sales revenues.

L'Oréal of France, the industry leader, spent more than £50m three years ago to launch Dune, now a best-selling fragrance. But Dune's success is exceptional. Most new perfumes fail, and many do not recoup their launch costs.

The stakes have been raised further by the consolidation of much of the industry into the hands of a few big groups with deep pockets, powerful distribution networks and lavish marketing budgets. As well as L'Oréal, they include Unilever, the French luxury goods group LVMH, and Elf Sanofi, part of Elf Aquitaine, the French oil company.

Furthermore, competition is creeping into distribution. The MMC estimates that a sixth of wholesale domestic perfume sales in the UK, which totalled £181m, was supplied from the "grey" market. This is fed by so-called parallel imports which bypass manufacturers' authorised channels.

A further £50m – a third of the value of manufacturers' authorised sales – was made through duty-free shops, at discounts of as much as 60 per cent on normal retail prices.

This trend has not gone far enough to satisfy Superdrug and other discount retailers, which sell perfumes at as much as 30 per cent below retail prices by buying supplies on the "grey" market.

Superdrug complained yesterday that the report was internally contradictory. On the one hand, the MMC had attributed much of the increased competition to Superdrug and other unauthorised retailers, but on the other hand has refused to compel the perfumes houses to supply them freely.

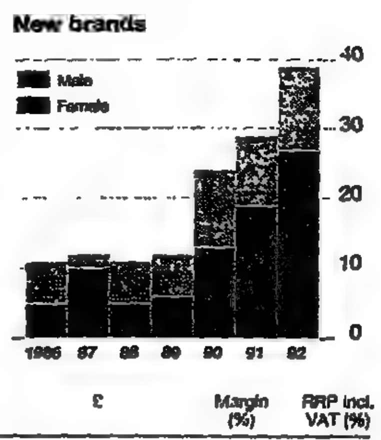
Superdrug argues that "grey" market sources are both expensive and scarce. It says unless it can obtain new sources of supply, its perfume sales will remain limited to about 60 stores, where it has spent some £1.2m on counters and displays.

Nonetheless, there are signs that harsh commercial realities are forcing some smaller manufacturers to relax traditional distribution restrictions. Parfums Worth has agreed to sell through Superdrug, while in France, the Carrefour supermarket chain has persuaded Pierre Cardin to supply it.

Some observers believe more barriers will crumble. "The market is going to change," says Ms Nina Stimson, managing editor of European Cosmetics Markets, an industry magazine. "Throughout Europe, suppliers are starting to break ranks."

Just how far and how fast may depend partly on the length of the recession. Most observers believe it will be a long time, if ever, before top brands such as Chanel, Dior and Guerlain are affected. But the steadily mounting pressures on the industry suggest that, whatever competition authorities say, for some perfume makers at least, life may never be quite the same.

UK perfumes: sweet and sour



Typical cost and prices	£	Margin (%)	RRP incl. VAT (%)
Manufacturing costs	3.08		10.6
Manufacturer's gross margin	2.68	46.5	9.3
Price to UK distributor	5.76		19.9
Distributor's gross margin	9.66	62.6	33.3
Price to retailer	15.42		53.2
Retailer's gross margin	9.26	37.5	31.9
Recommended retail price excl. VAT	24.68		85.1
VAT	4.32		14.9
Recommended retail price incl. VAT	29.00		100.0

UK wholesale sales (1992)	Products examined by MMC (£)	Not examined by MMC (£)	Total (£)
Authorised supplies to domestic retailers	151.3	22.0	173.3
Grey market (estimate)	30.0	2.0	32.0
Sub-total: domestic sales	181.3	24.0	205.3
Duty-free supplies (estimate)	52.2	2.0	54.2
Total UK sales	233.5	26.0	259.5

Source: MMC

Pensions could unlock £7bn tax boon

PERSONAL VIEW

An additional £7bn tax a year could be raised by the UK government from a simple change to pensions taxation. Only pension fund managers would notice the difference and the change would not reduce consumer demand or investment.

Tax incentives for savings take two forms. In the first instance, after tax income is invested, no tax is payable on income or gains and withdrawals are tax free. Such is the case with Peps and Tessas. The second form is where money is invested pre-tax, the roll-up is again tax free and withdrawals are taxed: pensions fall within this category, the withdrawal being the pension.

In the vast majority of cases these two methods yield the same result, as the table illustrates. My proposal is that pensions should be taxed on the Peps/Tessa basis. All pension contributions from Budget day by employers and employees should be considered taxable income in the employee's hands. The amount invested after tax will yield the same after-tax pension as before.

Total private pension contributions by employers and employees in the UK amount to £28bn a year. Taxing all future contributions at 25 per cent would yield £7bn a year. The incomes of both employers and employees after tax would be unaffected.

The only losers would be pension fund managers with £7bn a year less to manage. The new system would be easier for the Inland Revenue to administer, but the transition is complex.

- The tax yield will gradually decline to zero as revenue from taxing pensions is lost. This will take a generation. For the immediate future the yield will be £7bn a year.
- The Revenue and pension fund managers will not like running two parallel schemes, one for contributions made before the change and yielding a taxable pension, and another for contributions made after the change and yielding a tax-free pension. Funds could therefore be offered an option: pay (in instalments), say, 25 per cent of the capital value of the fund in tax now and immediately go on to a tax free basis.

	(A) PEP/TESSA	(B) Pension
Gross income	100	100
Tax at 25%	25	–
Amount invested	75	100
7% compound for 10 years yields	147.54	196.72
Return at 10%*	14.75	19.67
Tax at 25%	–	4.92
Net income	14.75	14.75

* Fund (a) is exactly 75% of fund (b). At any rate they will yield the same net income

If all funds did this the government would receive about £100bn (total pension fund assets are some £400bn). The government would immediately lose tax yield on current pensions – about £3.5bn, but it would still be a net £3.5bn a year ahead, plus the interest saved on £100bn of government debt, say, a further £8bn a year.

- Individuals may be obtaining tax relief on contributions at a higher rate than they would eventually pay on their pension. This would only be true for a few people and then only for part of their working lives. It could be compensated for, but this may not be felt necessary.
- Some people's private pensions will fall to be taxed in part or whole at the 20 per cent rate (though tax rates can and probably will change). Similarly, there will be some pensioners who will not fully use their personal allowances. In either case an annual tax credit could be paid in retirement.
- Unfunded schemes. There is no reason to treat these differently. But such schemes could not go fully onto the new basis as they have no assets with which to buy the transition. Tax would be charged currently on the notional cost of contributions but pensions would be tax free.
- The tax-free advantage for lump sums is lost. This is an illogical privilege which would be a minor sacrifice for a significant reform.
- Pension funds investment will be reduced by £7bn a year, but so too will be the public sector borrowing requirement of £50bn, and the government's need to sell gilts.

There will be other technical objections but they could all be overcome. The facts are that the change would have no after-tax effect on employers or employees contributing to pension schemes and need have no effect on after-tax pensions in retirement.

The problem is political. Will people believe their pensions will be tax free in 30 years and that the outcome is exactly the same? Will the media welcome the change as sensible or mislead the public about its effect? Such a change needs a first-class salesman: we have one in the chancellor.

The risks and difficulties must be set against raising an additional £7bn a year of revenue with no macroeconomic effects and no effect on people's disposable incomes in work or retirement – surely a prize worth grasping by a bold and imaginative chancellor with a fiscal headache.

John Maples

The author was economic secretary to the Treasury 1990-92 and MP for West Lewisham 1983-92

OBSERVER

So farewell, Shearson

■ Is it goodbye Shearson? One of the household names in the US stockbroking industry which has been proudly paired with a Hammill, a Hayden, a Stone, a Loeb, a Rhoades, an American Express, a Lehman, a Hutton, a Lehman Brothers, and (finally) a Smith and a Barney, may soon disappear 91 years after it first surfaced on Wall Street.

It seems likely that the Shearson will be dropped from Smith Barney Shearson when parent Primerica completes its $4bn acquistion of the Travelers Corporation. Although Smith Barney Shearson would only confirm that dropping the title was under consideration, the betting is that it is a done deal.

The decision would finally kill off a name that first appeared in 1902 when a Canadian called Ed Shearson set up the firm of Shearson Hammill. Shearson, however, will not be alone in the dustbin of history – it can take its place with pride alongside such great names as Hammill, Loeb, Rhoades, Bache, Hutton, Harris, Upham, Halsey and Kuhn.

The AA banquet

■ International accountancy firm Arthur Andersen has been belly-aching vociferously about the need to protect auditors against unjust and "crippling" lawsuits from investors and disgruntled customers. But its case might get a more sympathetic reception if it did not waste so much of its hard-earned reserves on jetting into London this week 4,000 of its firm's partners and hangers-on. Twenty London hotels have been needed to accommodate them all.

The official reason is AA's annual meeting. But judging by the banquet for the entire group on Monday night at Alexandra Palace, complete with string orchestra, jazz ensemble and a room kitted up as an English pub, there is still plenty of money left to keep the lawyers happy.

Competition time

■ Interesting to see whether the Bank of England breaks with tradition and advertises for a replacement for Andrew Crockett who has set off for the Bank for International Settlements. There would be no shortage of applicants.

Running the international side of the Bank of England is one of the City's plum jobs. Do it well and you get yourself noticed. Sir John Stevens went on to be chairman of Morgan Grenfell and ex-Lloyds Bank chairman Sir Jeremy Morse and Sir Kit McMahon (ex-Midland Bank) both did a stint as the Bank's international troubleshooter.

The smart money is on the new person being an insider. Bill Allen, head of foreign exchange operations, is a possibility. Still only 44, he is a member of Eddie's "brat pack" – the group the governor has nurtured during his 30-year stint in Threadneedle Street. Other names being banded about are those of John Townend, 46, in charge of money markets and gilt-edged trading. Pen Kent is another runner.

But don't bet on an inside job. Anthony Loehnis came from J. Henry Schroder Wagg and Crockett himself was working at the IMF when he was tapped. Hence the rumours about bicycle-riding John Odling-Smee, formerly deputy chief economic adviser at the Treasury who is head of the east European division at the International Monetary Fund. Another possibility is Goldman Sachs' economic guru Gavyn Davies. As a Goldman partner he should have stashed away enough money by now to afford to do a bit of public service.

'Merde'

Scorer

■ Fisons is used to losing at molecular roulette – its record of developing new drugs is lamentable. But management must be wondering about the fickleness of lady luck following the decision of a member of its UK salesforce to spill the beans to the Sunday Times about some allegedly dubious promotional practices.

The subsequent article suggested the representative, David Thomas, resigned from Fisons because of unethical selling tactics. Not mentioned was the fact that Thomas could only afford to leave the company, and so make the revelations, because he had just won a six-figure sum on the football pools.

Grant status

■ Want Wall Street cred? Then leave a copy of Grant's Interest Rate Observer lying about the office.

Jim Grant's fortnightly newsletter, celebrating its tenth birthday with a fat tome of past *apercus*, is required reading for anyone seeking a quirky, contrarian view of the financial world and those who inhabit it.

Laced, unusually for American writing, with a rich sense of irony, Grant's is written by the originator of the Current Yield column on Barron's, the US financial weekly. When Grant went solo, Jim Rogers, George Soros's former partner, was his first subscriber.

While his wife beavered away at Lehman Kuhn Loeb, Grant got established by noisily deploring just the sort of deals she was doing. He fingered Olympia & York early on, rechristening its Canary Wharf site "London's own North Dakota".

But Grant has not always been right. He admits that his greatest predictive gaff was to fail to see the "levitation of stocks and bonds in the last couple of years". No surprise then that he thinks financial assets are hopelessly over-priced and commodities dirt cheap. Hence his motto for the Clinton years: "Down with paper, Up with things".

Bunking off

■ Tut, tut. So where was education secretary John Patten yesterday when he was supposed to be lecturing the country's schoolmasters on truancy? An urgent cabinet meeting it seems. Nevertheless, it didn't stop one disrespectful schoolmaster at the conference asking if anyone had checked the toilets.

FINANCIAL TIMES
Friday November 12 1993

Severing of monetary links likely to deepen crisis in former Soviet states

IMF warns of rouble zone unrest

By John Lloyd in Moscow and Steve Levine in Yerevan

THE COLLAPSE of the rouble zone could save Russia more than $15bn a year but push many of the other former Soviet republics deeper into economic crisis - possibly provoking political unrest - experts in the International Monetary Fund and World Bank said yesterday.

The comments mark the first acknowledgment that the Russian rouble zone has all but collapsed over the last two weeks, with seven republics now having left, or announced their intention to leave.

Their moves come partly as a result of the tough new conditions which Russia is imposing on its former CIS partners, demanding that the republics should be subservient to Russia's central bank rules, and deposit gold and hard currency reserves with it, to end the subsidies which the republics have been receiving.

Experts in the IMF and World Bank calculate the loss of cheap credits and subsidised energy will cost the republics involved - Ukraine, Moldova, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan - $15.5bn a year. Given that many are already in economic crisis, the moves could trigger unrest which could affect the 25m ethnic Russians living in these republics, officials added.

Russia tightened its conditions for membership in the rouble zone in September, immediately after the banning of the Russian parliament.

The savings in credits to Russia in the coming year will mean that almost 15 per cent of its estimated gross national product will be available for its own use - though at the cost of deepening crises on its borders.

The republics which will be most affected include:

● Ukraine, the focus of the most international concern and where inflation is estimated to be about 70 per cent a month, has repeatedly devalued its temporary karbovanets currency.

● Uzbekistan and Kazakhstan, are formerly loyal members of the rouble zone. On Wednesday President Nursultan Nazarbayev of Kazakhstan and President Islam Karimov of Uzbekistan said they would issue their own currencies, the Kazakh tenge and Uzbek coupons, a decision which has caused a crash in the old (pre-1993) Russian roubles they were using.

● Armenia, the most desperate of all ex-Soviet republics, says it cannot meet the Russian conditions because it has almost no hard currency or gold reserves, and has no means to stop the economy's slide into chaos.

● Georgia and Azerbaijan are hard hit by internal conflicts and the cost of looking after hundreds of thousands of refugees. They have their own currency coupons, but they are highly inflationary, especially Georgia's.

Only two of the former Soviet states - Belarus and Turkmenistan - claim a measure of stability, though for opposite reasons. Belarus wants as complete a monetary union with Russia as possible. Turkmenistan, by contrast, has introduced its own currency - the manat - using its own reserves, as the world's third largest gas producer, as backing.

Philips calls for more EU innovation

By Andrew Hill in Eindhoven

EXECUTIVES from some of Europe's leading industrial groups yesterday called for more intensive co-operation between governments, the European Commission, scientists and industry to fight technological competition from Japan and the US.

"We are pleading with Europe to help us succeed," Mr Jan Timmer, Philips president, told industrialists at a symposium in Eindhoven.

"We will play our part and do our duty, but we can't sit still," he said.

Philips called for round-table discussions between government, universities and industry to identify the key technologies Europe will need to compete in the growing "multimedia" sector, which will bring together computer, telecommunications, consumer electronics and media groups.

"These are areas that can only be tackled when several companies and governments get together," said Mr Timmer. He criticised European governments for "not getting their act together" over European high-definition television. Ambitious plans for HDTV, in which Philips has invested heavily, were shelved in favour of a diluted project this summer. Executives from SGS-Thomson Micro Electronics, the Italian-French state-owned semiconductor producer, and Renault-Volvo, the Franco-Swedish car manufacturer, supported Philips' call for support from public authorities, in the form of intensified research programmes aimed at key technologies and backing for strategic alliances.

Mr Pasquale Pistorio, president and chief executive of SGS-Thomson, said advanced industrial societies could not exist without controlled access to an advanced electronics industry, which could not exist without controlled access to an advanced semiconductor industry.

Mr Martin Bangemann, European industry commissioner, said the European Union could play a role in helping to change the structure of traditional European industry.

Philips had invited industrialists, government and European Commission officials to celebrate the opening of a new exhibition of the company's technology near the group's headquarters in Eindhoven.

UK discount chain threatens to take perfume fight to Brussels

By Guy de Jonquières and Robert Rice in London

SUPERDRUG, the UK discount drugstore chain, threatened yesterday to take its campaign to sell cut-price fragrances to Brussels, after UK competition authorities rejected the company's complaint that perfume manufacturers were unfairly refusing to supply it.

A Monopolies and Mergers Commission report said that although a "complex monopoly" existed among the perfume houses, it did not operate against the public interest. The report said only small changes were needed to ensure free competition in the UK market, worth £230m ($340m) at wholesale prices last year.

The report was welcomed by perfume manufacturers and some retailers, including Boots, the biggest outlet for perfumes in the UK. However, the decision was criticised by one perfume house, consumer organisations, Superdrug and other retailers.

"The MMC has swallowed the perfume companies' arguments hook, line and sinker," the Consumers' Association said. Asda, the supermarket chain which also sells cut-price fragrances, expressed "amazement and anger" and accused the commission of yielding to special pleading by perfume houses.

Worth Fragrances, a small perfume manufacturer which recently agreed to supply Superdrug, said it was unhappy with the decision.

Superdrug said it was disappointed. The company, part of the Kingfisher retail group, said the report failed to address its central objections to the perfume houses' marketing methods.

The company said it was considering renewing its complaints with the European Commission, which recently approved arrangements which allow perfume manufacturers to sell their products only through designated wholesalers and retailers.

Although the MMC concluded that manufacturers had not used these arrangements to keep prices artificially high, Superdrug said stronger policing was needed to ensure that the rules were applied fairly.

Superdrug sells a limited range of fragrances at discounts of about 30 per cent in 60 of its stores. Because leading manufacturers have refused to supply it directly, the company has been forced to buy all its products from unauthorised sources on the "grey" market.

It said yesterday that it would continue discount sales, but the MMC's decision meant it could not obtain enough supplies to sell perfumes at all its stores.

The nine-month MMC inquiry was launched a year ago after extensive lobbying by Superdrug of competition authorities in London and Brussels.

The report said the perfume industry was a "complex monopoly" because the leading manufacturers restricted supplies to authorised retailers and recommended resale prices, but it said these arrangements did not operate against the public interest.

The MMC accepted manufacturers' arguments that the commercial success of perfumes depended on heavy marketing investments and high prices to create an aura of exclusivity.

Editorial Comment, Page 17
Perfumes' fate sealed with a sniff, Page 17
Details, Page 8

Crisis at Euro Disney

Continued from Page 1

minister, Barclays and Midland, also participated in loans.

Bankers are expected to press for a reduction in royalty and management fees paid to Walt Disney by Euro Disney, as well as a reduction in interest payments on the FFr4.8bn loan extended by the Caisse des Depots.

The banks are likely to prefer an injection of new equity next spring - by which time the restructuring is due to be complete - rather than a debt for equity swap.

Despite their concern that Walt Disney should play a significant part in the capital restructuring, the French banks will face political pressure to ensure that EuroDisneyland remains open.

Walt Disney has agreed to provide funds for Euro Disney until next spring. It is reluctant to bail out its associate, but is equally concerned to avoid the damage to its image that would result from Euro Disney's failure.

The Paris market, where the shares are mainly traded, was closed yesterday. On the New York Stock Exchange, Walt Disney shares dipped $¼ to stand at $40⅞ at lunchtime.

THE LEX COLUMN

Royal's cycle ride

FT-SE Index: 3099.7 (+1.2)

The higher insurance premiums foisted on British homeowners and motorists are bearing fruit. Royal made a third quarter underwriting profit in the UK, despite more pain from mortgage indemnity policies written in the 1980s. Without this legacy of mortgage-related business - and another wave of claims against employers for industrial injury - UK insurance would have produced a handsome profit. Yet it is doubtful whether such auspicious circumstances can be maintained for long. The composite insurance sector has not made aggregate underwriting profits in consecutive years since the early 1970s.

Royal has pledged to maintain insurance rates even if that means surrendering market share. Not all of its peers will take such a disciplined attitude. With Direct Line starting to make inroads into household as well as motor insurance, competitive pressures could quickly force prices down. Higher profits next year look assured, for Royal as for other composite insurers, since premium increases take up to 18 months to flow to the bottom line. Royal should also benefit from reduced mortgage indemnity losses and improved results in reinsurance. But earnings of perhaps £300-400m in 1995 will not look an especially generous return on shareholders funds - now £2bn - if the industry subsequently lurches into another cyclical downturn.

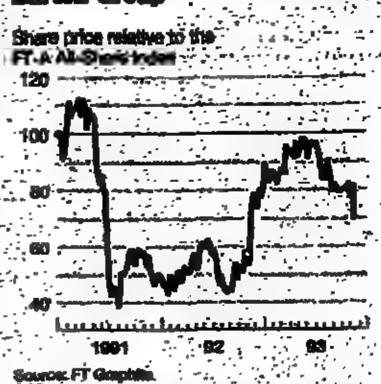
Low interest rates are a reason for optimism that the underwriting cycle will be less severe this time around. In contrast to the 1980s, premiums paid by customers can no longer be parked in short-dated gilts to earn double-digit interest rates. That makes underwriting profits more important. Still, it takes a giant leap of faith to believe that a 20-year legacy of bad habits will be easily extinguished.

Shell

Last week's results from BP set the market expecting something of a gusher from Royal Dutch/Shell as well. It should perhaps have known better. Without BP's gearing, Shell is less well-placed to benefit from economic recovery. With its strong presence in the Far East it was less affected by the recession in the first place. But its lack of a recovery story leaves investors plenty of time to dwell on the impact of weak oil prices, especially as its high volume winter season looms.

Burton Group

Share price relative to the FT-A All-Share Index



Source: FT Graphite

Strip out the tax credits and Shell's earnings from exploration and production actually fell in the third quarter. Strip out the currency effect and margins look distinctly weak. Not only is the crude price to blame. There is not much sign of Shell's much vaunted cost-cutting showing through. The oil price played to Shell's advantage further downstream in manufacturing and marketing. But it will be lucky to escape having to pass on some of this benefit soon. While a large part of the £171m charged against chemical profits reflects the environmental clean-up at Rocky Mountain Arsenal, restructuring charges continue apace, again without much sign of benefit showing through.

Part of Shell's problem may simply be its very strength. With no debt problem, the need for cost-cutting was less urgent than at BP. At around 10 per cent, its return on capital is already higher. But since Shell Transport has out-performed Exxon by over 20 per cent this year, the market is looking for growth which so far seems elusive.

Electrical retailing

Offer's conclusion that the regional electricity companies are perfectly at liberty to lose money in retailing is curious, but wholly sensible. Offer has no business determining what strategy the Recs pursue in non-regulated areas - so long as it does not impinge on their core businesses. Despite the embarrassingly large scale of the Recs' retailing losses, there are few grounds for such worry at present. Nevertheless, the OFT's encouragement of greater transparency of accounting and market testing is a welcome attempt to ensure fair competition. It is a shame some Recs are proving recalcitrant.

Whether the Recs' shareholders should remain so sanguine is a different matter. The £105m of retailing losses they have accumulated is alarming. Yet, unlike the water companies, the Recs have a partial defence against the charge of wanton diversification, considering they inherited most of their retailing interests when privatised. Most are now withdrawing. Yet Norweb is pressing ahead with an aggressive expansion programme. It will struggle to generate serious money from it, however. Electrical retailing is a tricky business, thanks to severe price disinflation for gizmos and fierce competition. If Dixons can make precious little money out of electrical retailing - excluding contributions from its highly-profitable warrants - it seems unlikely Norweb will do much better.

Burton Group

The market was unsettled by the slippage in Burton's second half sales following a particularly strong first six months to the year. This sales pattern is not what is expected of a so-called recovery stock at this stage of the consumer spending cycle. But there were some special factors at play. The repositioning of Burton's chains confused shoppers. The ghastly summer led to Burton being caught with its trousers marked down. Marks and Spencer, aided by the devaluation gain at its UK supplier base, has also run riot on the high street.

Yet, Mr John Hoerner has done well to lead Burton out of its trading corner and deserves the benefit of the doubt for the moment. There remains considerable scope for recovery in Burton's multiple chains. But the process may just take longer to realise than first assumed. The bigger long-term question is whether its multiple structure is appropriate for the 1990s. Operating so many chains dissipates Burton's economies of scale and complicates the management task. That perhaps argues for a demerger. The flotation of Allders revealed a healthy demand for department stores and the perky Debenhams could expect a still warmer response. Debenhams may have helped keep Burton afloat during the recession. But if management believes its restructuring rhetoric, the multiple chains are no longer in need of such a lifebelt.

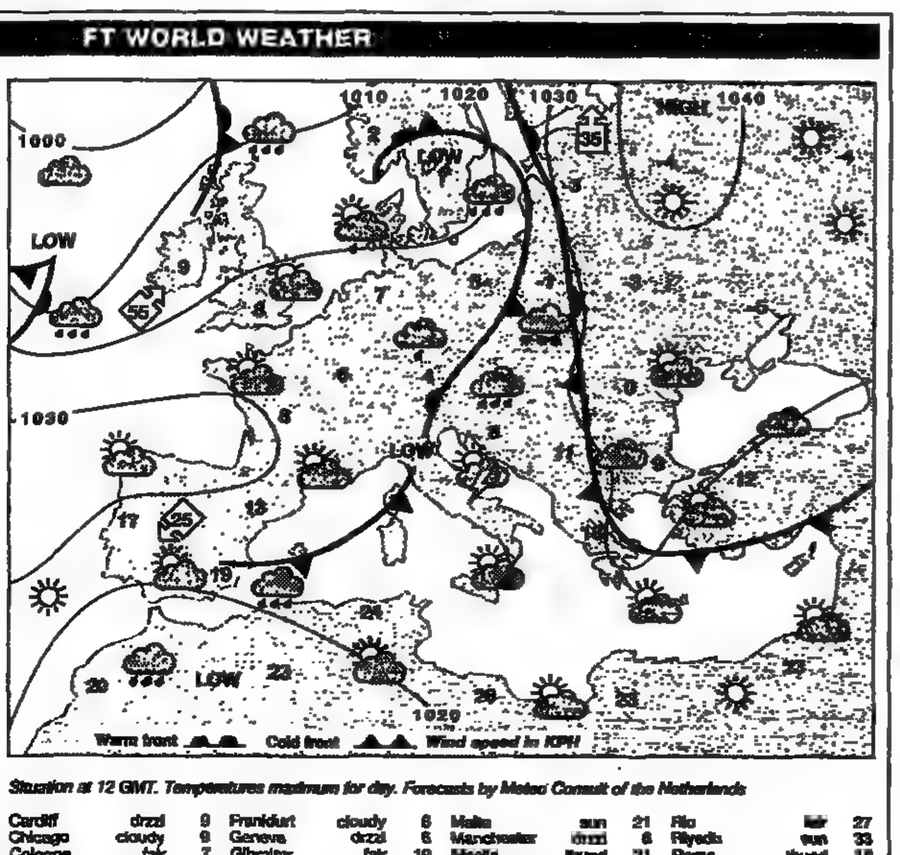
FT WORLD WEATHER

Europe today

Wintry conditions will persist over eastern Europe from the Black Sea to northern Scandinavia. The cold front, marking the boundary between mild and cold air, will cause cloud with outbreaks of snow. There will be some rain along southern sections of the frontal zone but in the cold air it will be sunny with unseasonably low temperatures. Cloud and rain will extend from western Scandinavia across the Alps and into the western Mediterranean. Thunder storms will develop along the Spanish coast and over Majorca. North-west Europe will remain unsettled with winds in Ireland reaching gale force.

Five-day forecast

Strong high pressure over Russia will keep eastern Europe cold and wintry. Milder conditions will make only very slow progress to the east giving cloud and snow. In south-eastern Europe, along this frontal boundary, a lot of rain will fall during the weekend. Unsettled and at times windy conditions will prevail in north-west Europe, especially in the British Isles.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

	Maximum		Belfast	drzzl	7	Cardiff	drzzl	9	Frankfurt	cloudy	6	Malta	sun	21	Rio	fair	27
	Celsius		Belgrade	cloudy	7	Chicago	cloudy	9	Geneva	drzzl	6	Manchester	drzzl	6	Riyadh	sun	33
Abu Dhabi	sun	32	Berlin	shower	7	Cologne	fair	7	Gibraltar	fair	19	Manila	thund	31	Rome	thund	18
Accra	fair	33	Bermuda	thund	25	D' Salaam	fair	32	Glasgow	rain	7	Melbourne	thund	25	S. Frsco	fair	15
Algiers	shower	21	Bogota	thund	21	Dakar	sun	27	Hamburg	shower	7	Mexico City	cloudy	22	Seoul	shower	20
Amsterdam	fair	8	Bombay	sun	35	Dallas	cloudy	25	Helsinki	snow	-4	Miami	fair	27	Singapore	thund	31
Athens	cloudy	14	Brussels	fair	8	Delhi	sun	31	Hong Kong	cloudy	26	Milan	cloudy	12	Stockholm	sleet	5
B. Aires	fair	27	Budapest	rain	2	Dubai	sun	32	Honolulu	fair	27	Montreal	cloudy	4	Strasbourg	cloudy	8
B.ham	fair	7	C.hagen	shower	8	Dublin	cloudy	9	Istanbul	fair	9	Moscow	sun	-3	Sydney	thund	25
Bangkok	fair	30	Cairo	fair	23	Dubrovnik	cloudy	16	Jersey	fair	11	Munich	drzzl	2	Tangier	drzzl	20
Barcelona	fair	15	Cape Town	fair	27	Edinburgh	fair	8	Karachi	sun	36	Nairobi	fair	27	Tel Aviv	fair	20
Beijing	fair	13	Caracas	cloudy	31	Faro	sun	21	Kuwait	fair	28	Naples	fair	18	Tokyo	drzzl	19
									L. Angeles	fair	18	Nassau	fair	30	Toronto	sun	5
									Las Palmas	fair	23	New York	fair	15	Tunis	fair	24
									Lima	cloudy	22	Nice	sun	16	Vancouver	shower	8
									Lisbon	sun	18	Nicosia	fair	18	Venice	thund	12
									London	fair	8	Oslo	rain	2	Vienna	shower	3
									Lux.bourg	shower	5	Paris	shower	8	Warsaw	snow	-1
									Lyon	cloudy	6	Perth	cloudy	23	Washington	sun	17
									Madeira	fair	20	Prague	cloudy	6	Wellington	cloudy	16
									Madrid	fair	15	Rangoon	fair	34	Winnipeg	cloudy	2
									Majorca	thund	17	Reykjavik	snow	0	Zurich	drzzl	3

FINANCIAL TIMES
COMPANIES & MARKETS
Friday November 12 1993

INSIDE

Pacific Bell plans $16bn network

Pacific Bell, the telephone company serving California, has announced plans to spend $16bn creating a multi-media communications super-highway across its territory. It has also awarded American Telephone & Telegraph a contract estimated at some $5bn to supply key parts for the system. Page 19

Voices on Ciga restructuring

Shareholders in Ciga, the troubled Italian luxury hotels group controlled by the Aga Khan, will today indicate their reaction to this week's announcement of a capital increase and restructuring plan. Page 18

IBM may sell Federal division

International Business Machines is "exploring the possibility" of selling all or part of its Federal Systems Company, a US-based division that sells computers and services to the Federal government. Page 19

Nextel braces for battle

Nextel Communications, a New Jersey radio dispatch service company, has emerged as a potential new rival to established US cellular telephone services with the acquisition of mobile radio spectrum rights from Motorola of the US for $1.8bn in stock. Page 19

Japanese groups scrap merger

Two Japanese pharmaceutical companies, Toyama Chemical and Mitsui Pharmaceuticals, have scrapped their agreement reached in April to merge. Page 20

UK insurer returns to profit

Royal Insurance provided further evidence of the recovery in the insurance market when it moved back into pre-tax profits of £113m ($167m) for the first nine months of 1993, compared with a loss of £83m. Page 23; Lex, Page 16

VSEL awaits defence review

VSEL, the builder of Trident submarines, reported an 11 per cent increase in pre-tax profits to £28.2m ($42m) but said it would be several months before it knew whether the current review of UK defence expenditure would require changes to the group's strategy. Page 25

Video nasty

The UK agriculture minister is to protest strongly to the European Commission about conditions in Spanish abattoirs after seeing videos of grisly ways used to butcher livestock. Page 28

Not all black and white for JSE

Since Mr Nelson Mandela, leader of the ANC, called in September for the lifting of all remaining economic sanctions against South Africa, investors have been trying to assess the implications for the Johannesburg Stock Exchange. Back Page

Market Statistics

Companies in this issue

Chief price changes yesterday

FRANKFURT (DM)

Rises			
Goldschmidt(TH)	625	+	20
Leifheit	785	+	10
Falls			
Bil & Berger	910.5	–	19.4
Linotype-Hell	330.5	–	8.5
Porsche	740	–	10
Schering	1090	–	15

NEW YORK ($)

Rises			
Amer T & T	57⅛	+	2⅛
Bear Stearns	22¼	+	1¼
Gap Stores	38⅞	+	2⅛
Philip Morris	56¼	+	1¾
Falls			
Viera Inc	28¼	–	1¾
Walt Disney	41	–	½

TOKYO (Yen)

Rises			
Nippon Kayaku	684	+	33
Tosoh Corp	332	+	29
Falls			
Daishowa Paper	1460	–	280
Hitachi Koki	874	–	28
Ikegami Tsush	780	–	211
Kureha Chem	432	–	18

Paris Closed. New York prices at 12.30pm.

LONDON (Pence)

Rises			
Aminex	72	+	[illegible]
Anglia TV	415	+	18
Balsynchick	180	+	19
Blick	430	+	22
Channel Hldgs	48	+	3
Cranswick	145	+	9
Densitron	36	+	6
Dudley Jenkins	[illegible]	+	6
Flextech	253	+	13
Molyneux Est	71	+	6
Piet Pet	157	+	9
Yorks-TyneT TV	208	+	15
Falls			
Appleby West	178	–	20
Burton	65¾	–	10¾
Business Post	113	–	22
Charles Sidney	103	–	7
Euro Disney	368	–	68
RPC	150	–	6
Sherwood Comp	55	–	60
Staveley	209	–	19
Storehouse	185	–	9
Tepnel Diagn	167	–	6
Unitech	264	–	21
Waddington	245	–	12

Volvo holds rights issue talks

By Christopher Brown-Humes in Stockholm

VOLVO, the Swedish motor group, is sounding out shareholders over a big rights issue in case plans to merge its vehicle operations with France's Renault collapse.

The rights issue is part of contingency proposals being worked on by Volvo as shareholder opposition mounts to the company's link with Renault, which the Volvo board is determined to push through.

According to the Swedish business daily Dagens Industri, Mr Sören Gyll, Volvo's chief executive has met a number of big shareholders to discuss the plan. The paper said Volvo's car division needed around SKr5bn ($618m) to manage on its own.

Volvo declined to comment on the report, although it said last month that a stand-alone future would require up to SKr8bn of new capital

Mounting domestic criticism has persuaded many analysts that Volvo shareholders may block the merger.

Their concern centres on the timetable for Renault's privatisation and the golden share provision. The latter would allow the French government to reduce Volvo's ownership of the combined group from 35 per cent to 20 per cent if their jointly owned holding company were dissolved.

Mr Gyll acknowledged the scale of the revolt in a television interview on Wednesday evening, when he admitted that Volvo was directly negotiating with the French government over the issues. "It looks like the shareholders are completely against the deal and we will tell our partners that," he stated.

Skandia, the Swedish insurer with a 3.6 per cent voting stake in Volvo, is the latest big shareholder to threaten to vote against the merger.

Mr Bjorn Wolrath, Skandia chief executive, said: "In my opinion very fundamental changes are needed from the French government on the golden share and on future privatisation to turn round Swedish 'no' opinion." Volvo executives have so far talked about clarification of the merger terms, rather than substantial renegotiation.

Mr Louis Schweitzer, Renault chief executive, said in an interview in Volvo Now, an in-house company magazine, that Swedish objections to the merger were based on misunderstandings which had to be cleared up. But he was adamant the deal must go through before the company was privatised. "You can't sell shares without buyers knowing what they are getting," he stated.

Japanese cement groups unite against competition

By William Dawkins in Tokyo

JAPAN'S biggest and sixth largest cement makers are to merge next year, to seek economies of scale in the face of weak demand and competition from cheap imports.

Onoda Cement, the leading producer, and part of the Mitsui Group of industrial companies, will merge next October with Chichibu Cement. They will form Chichibu Onoda with annual capacity of 17.94m tonnes, nearly a quarter of Japan's annual demand of 80m tonnes.

At yesterday's close in Tokyo, Onoda was capitalised at Y241.8bn and Chichibu at Y65bn.

The merger will allow them to cut distribution costs by Y300m in the first year, to March 1995, doubling to Y600m savings in the following year, said Mr Takaharu Unno, Onoda's senior managing director. Annual sales of the merged group will be an estimated Y264.5bn in the first year, on which taxable profits are forecast at Y8.2bn.

The pair also plan to shed an unspecified number of workers over the next three years by cutting down on new recruits and not replacing retiring staff, said Mr Takahashi Kurihara, president of Chichibu.

The merger could be the first step in a welcome restructuring of the cement industry, said Mr Masaya Fujimura, head of the cement association of Japan.

Japanese cement demand has dropped by 38 per cent over the past decade, from 130m tonnes annually.

Company executives said government attempts to boost public works through three spending packages over the past 18 months had had little effect. They attributed this to a drop in office construction, plus local government's caution over letting new contracts in the wake of a wave of arrests of construction industry executives and public officials.

On top of this, there is stiff competition from cement imported from South Korea, which has become increasingly cheap as the yen has risen.

The pressures on the industry were underlined yesterday when Onoda announced a 31.5 per cent drop in pre-tax profits to Y1.76bn in the six months to September, from Y2.57bn last year. Sales fell 6.5 per cent to Y105.3bn.

Onoda warned that full-year turnover would fall by the same percentage, to Y218.7bn, the first sales setback for seven years. Pre-tax profits were set to fall 40.6 per cent to Y5.3bn, the fifth annual fall running, it said.

The merger will be undertaken on a share-exchange basis, at a rate of 2.1 Onoda shares for one Chichibu share.

Richard Lapper and Norma Cohen on institutions' reply to Lloyd's

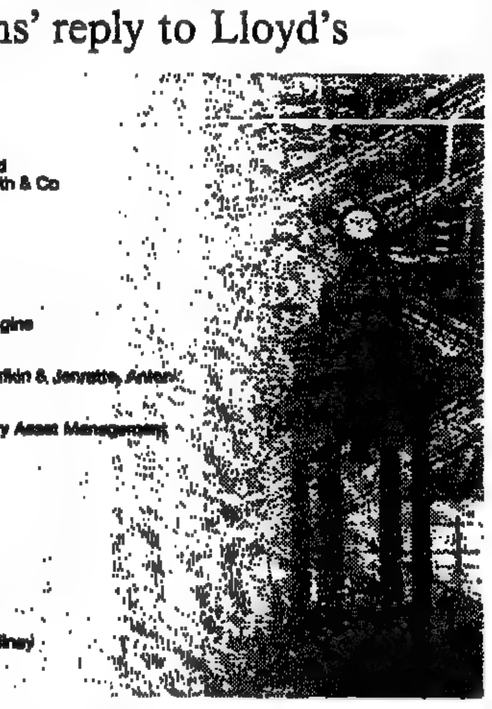
The corporate fund raising record

Launches

- London Insurance Market Investment Trust
  £280m. Sponsors: James Capel, Samuel Montagu
- CLM Insurance Fund
  £110m. Sedgwick, BZW
- Angerstein Underwriting Trust
  £75m. Stace Barr, NatWest Markets Corporate Finance
- NCG Lloyd's Investment Trust
  £65m. JO Hambro, Conning, Grimston
- Delian Lloyd's Investment Trust
  £50m. Hill Samuel, RF Kershaw
- Syndicate Capital Trust
  £50m. Raphael Zorn Hemsley, IAL
- Masthead Insurance Underwriting
  £43m. Murray Lawrence, Hambro, Hoare Govett
- Abtrust Lloyd's Insurance Trust
  £30m. Abtrust, Sankaidi
- Finsbury Underwriting Investment Trust
  £30m. Rea Brothers, UBS, Wren
- Hiscox Select Insurance Fund
  £30m. Charterhouse Tilney, Roberts & Hiscox
- Kiln Cotesworth Corporate Capital Fund
  £10m. Baring Brothers, RJ Kiln, Cotesworth & Co
- Corporate Membership
  £20m. Peel Hunt

Planned launches

- London Markets Investors (LMI)
  $300m. Salomon Brothers, Johnson & Higgins
- Lutine Capital Corporation Ltd
  $300m. Phoenix Securities, Donaldson, Lufkin & Jenrette, Anlerk
- New London Capital
  £100m-150m. Warburg, Chartwell, Mercury Asset Management
- To be named
  £50m. Murray Johnstone, Willis Faber
- Fenchurch Investment Trust
  £35m. Fenchurch, Guinness Mahon
- Premium Trust/Premium Underwriting
  £33m. Wellington, Noble, Greig Middleton
- Hiscox Dedicated
  £25m. Hiscox Syndicates, Charterhouse Tilney



Persuading sceptics to part with their money

News this week that backers of the Nelson Lloyd's Trust were scrapping a £60m venture to seek corporate capital for the Lloyd's insurance market raised eyebrows in London. After all, it is not every day that the names of Cazenove and Lazard Brothers, the bluest of blue chip city institutions, are associated with failure.

And it was a failure all the more galling in view of the success enjoyed by many rival banks and securities houses. Twelve investment trusts and companies have been launched in the past three weeks – including two yesterday. Although some of the funds have been scaled back in size, pension funds and life assurance companies have already committed more than £600m to the Lloyd's market for 1994.

Several other schemes are scheduled for launch before the end of this month. Lloyd's hopes that about £1bn in corporate capital will be committed.

But even the present level of capital raised represents an achievement for Lloyd's. As recently as July, officials were cautiously predicting that Lloyd's could attract as much as £500m "with a fair wind".

Lloyd's has had to overcome a series of obstacles. New rules meshing its internal rules with stock market regulations have been drafted against a tight timetable and senior managers have conducted a delicate political campaign to persuade Names – the individuals who have traditionally supported its capital base – to approve the initiative.

Above all, the insurance market has persuaded cautious city institutions to back it. Mr Robert Hiscox, deputy chairman of Lloyd's of London, who has headed the market's search for corporate capital, says UK financiers initially poured cold water on the idea. Interest only began to pick up after US investment banks, such as Salomon Brothers, became involved in developing schemes.

Managers of many Lloyd's syndicates, who earlier this year feared they had insufficient capital to stay in business, are now flush with capacity and turning away potential corporate money.

CLM Insurance Fund, sponsored by Sedgwick Group and Barclays de Zoete Wedd, said it had scaled back its fund because of the difficulty in securing "good quality" capacity on Lloyd's syndicates. Two agencies – Sturge Holdings and London Wall Holdings – abandoned plans to form listed trusts because they had enough capital from other sources.

Yet the scrapping of the Nelson trust provides the clearest indication that the supply of capital is also limited. Mr Nigel Rogers, managing director of the Octavian Group, which jointly sponsored the Nelson initiative, says: "Institutions have set aside a certain amount of money but this is not a bottomless pit."

Indeed, scepticism among the investment community remains widespread. One fund manager says well over half the UK investment community is not interested at all. Some leading institutions are firmly set against any involvement.

Sceptics point to the potential volatility of future returns from the trusts and to a lack of transparency in the character of many of the investments. "There is a problem explaining to pension fund trustees that you are putting their money into Lloyd's," says one fund manager.

One measure of the modest scale of institutional interest is that the £600m in funds committed to Lloyd's compares with £350bn available for investment each year by UK pension funds. The National Association of Pension Funds (NAPF) considered holding a special seminar on Lloyd's at its February conference, but abandoned the idea because there was insufficient interest from members. "There are a lot of people who have given these things a wide berth," says one fund manager.

Many investors have overcome fears about the ability of Lloyd's to create a reinsurance company to "ring fence" billions of dollars of liabilities from US asbestosis and pollution claims. "There is evidence to suggest that Lloyd's syndicates are better reserved than the average UK composite," says one fund manager.

Even so fund managers are investing relatively small amounts of money. Few investors are prepared to risk more than £25m. Smaller funds, such as Premium Trust/Premium Underwriting, which is raising £33m to support 40 syndicates, are backed by some two dozen separate institutional investors with maximum stakes of about £3m each. One investor who manages £18bn of funds says he is prepared to put only £5m-£10m into one of the larger Lloyd's trusts.

Even some enthusiasts say they do not see the investments as permanent. "It is a marginal investment and not one that we would hold for the entire cycle," says one fund manager. "There is a danger that everyone wants to get in and get out at the same time," says another.

Yet whatever the pros and cons, the institutional investment has been sufficient to spawn a mini stock market sector. Mr Mark Henderson, of Clerical Medical, the life assurance group, takes a positive view of prospects for the quoted companies. He says that if £1bn is raised, the quoted Lloyd's investment trust sector will be equivalent in size to a small footsie stock, a level sufficient to encourage further interest.

Trust launches, Page 23

Chemicals hold Shell to 8% increase

By Robert Corzine in London

HIGHER restructuring costs in its troubled chemical division marred the third-quarter performance by Royal Dutch/Shell Group, the Anglo-Dutch oil group. It reported yesterday profits up 8 per cent to £861m ($1.3bn), helped by higher marketing margins and beneficial currency swings.

The profits increase – on a current cost of supplies basis, which excludes after-tax changes in inventory values – was in the middle of analysts' expectations.

But the share price of Shell Transport and Trading fell 18p to close at 704p as oil prices tested new post-Gulf war lows. The price of benchmark Brent Blend for December fell at one stage to $15.20 a barrel, compared with an average of $16.50 during the third quarter.

Shell reported that lower oil prices were offset by special tax credits. It said a credit of £205m was mainly due to a release in tax provisions and a tax-rate change in undisclosed countries.

Shell's cash flow rose to £5.8bn from £4.9bn a year ago, but analysts said there were few signs that cost-cutting was having the dramatic effects reported by British Petroleum and the US majors. With gearing standing at 10.2 per cent, Shell is under less pressure than some of the more indebted majors, say analysts, who also note that it started its cost-cutting later.

"So far there is little evidence of Shell's cost-cutting coming through in the upstream sector," said Mr Fergus MacLeod of NatWest Securities in Edinburgh, who noted that Shell's earnings per barrel in the third quarter were $1.97, from $2.45 in the previous one.

Chemicals remained a running sore, losing £168m in the third quarter and £341m for the first nine months, compared with losses of £41m and £40m in the respective periods last year. Shell reported special charges of £171m for the quarter.

Shell reported improved margins in refining and marketing, particularly in Europe. Earnings rose to £412m in the third quarter compared with £302m in the same quarter last year. But margins in Asia, where Shell is particularly strong, weakened in the quarter.

Earnings per share were 8.6p in the quarter, from 8p, and 24.7p for the nine months, against 22.7p.

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Fund managers protest at Murdoch 'super share' idea

By Nikki Tait in Sydney

INSTITUTIONAL fund managers in Australia yesterday made clear their opposition to the idea of shares being given "super" voting rights.

The Australian Investment Managers' Group, representing most large institutional shareholders, was joining in a debate provoked by Mr Rupert Murdoch's desire to introduce "super shares", with multiple voting rights, at News Corporation, the media film and publishing group.

After a meeting, the AIMG expressed "overwhelming support" for the principle of one share-one vote, and "strong opposition to any proposal that effectively allows a major shareholder to gain and pass control of a corporation without paying a market premium".

The AIMG said it would encourage the Australian Securities Commission to explore implications for the takeover provisions written into corporate law.

At present, share structures incorporating differential voting rights do not feature on the Australian Stock Exchange. The exchange is considering whether it should change its listing rules to permit these in the wake of News Corp's proposal.

There are fears in the News Corp case that, because the super shares would lose their multiple voting advantage if they were sold, the Murdoch family would enjoy "creeping control". Mr Murdoch controls – directly or the family company – almost 33 per cent of News Corp's equity.

Mr Peter Griffin, AIMG chairman and vice-chairman of Rothschild Australia Asset Management, said fund managers were concerned that the introduction of differential voting rights would be "extraordinarily detrimental to the image of the Australian capital markets".

If control of corporations became concentrated in the hands of minority shareholders, Australian companies could also be "severely constrained in their ability to tap international and domestic capital markets".

Trading starts on Fridays only for shares in Ciga

By Haig Simonian

SHAREHOLDERS in Ciga, the troubled Italian luxury hotels group controlled by the Aga Khan, will today have the chance to indicate for the first time their reaction to this week's announcement of a L700bn ($425m) capital increase and restructuring plan.

Under an unprecedented ruling by the Consob stock market and companies watchdog, shares in Ciga can now only be traded once a week, on Fridays. The ruling followed a long period of suspension and almost normal trading last week.

The new rescue plan, prepared by Mediobanca, involves the injection of fresh capital, a partial moratorium on interest payments and the conversion of some bank debt into equity.

The new cash will come from Forte, the UK hotels group, which will contribute L80bn in liquidity and also L300bn in the form of Italian hotel assets. Further details are expected to emerge after a Ciga board meeting early next month.

Ciga warned this week that if the proposals, which have received a hostile reception from some creditor banks, are not accepted at a special shareholders meeting on January 20, it might have to go into temporary receivership.

Italian bank creditors, which have lent more than L1,000bn to the loss-making group, are expected to approve the proposal.

However, foreign creditors, particularly those which have lent to Fimpar, the Aga Khan's holding company which controls Ciga, have been more hostile.

Barclays, a lender to both Ciga and Fimpar, recently came out strongly against the plan.

Opponents claim counter-offers by other hotel groups, such as an expression of interest from the US Hyatt group, have not been adequately considered by Mediobanca.

SAS seeks to reduce costs by up to SKr2.5bn

By Christopher Brown-Humes in Stockholm

SCANDINAVIAN Airlines System (SAS) yesterday announced plans to cut costs by between SKr2bn and SKr2.5bn ($304m) in an acceleration of its drive to improve profitability and strengthen its financial position.

The airline, which disclosed a SKr1.13bn pre-tax loss for the first nine months on Wednesday, said it aimed to be back in profit by 1995 at the latest.

The cuts, which amount to about 16 per cent of the airline's controllable costs, centre on the closure of 12 unprofitable routes and the disposal of non-core businesses.

The group wants to avoid enforced job losses among its 39,000 staff, hoping instead for a reduction in numbers through natural attrition.

SAS said the cuts took into account its plans to merge with KLM Royal Dutch Airlines, Swissair and Austrian Airlines in the so-called Alcazar project, but added they would go ahead even if the proposed tie-up collapsed.

"It's important to Alcazar that we get our costs under control, but it's even more important if we end up standing alone," SAS said.

The group said its fleet had too many aircraft types, and it had an excessive amount of capital employed.

It did not disclose which non-core businesses would be sold. Candidates likely to be considered include its hotel, tour, catering and credit-card operations.

Among the routes to be closed between December 1993 and September 1994 are Copenhagen-Los Angeles, Bergen-London and Gothenburg-Amsterdam. The 17 aircraft made redundant are likely to be sold.

SAS said it was responding to the market situation. "The airline business remains in a state of crisis worldwide. The global recession, coupled with deregulation, has brought about wide-spread overcapacity and put intense pressure on fares," it said.

Schering sees 3% decline and unchanged dividend

By Christopher Parkes in Frankfurt

SCHERING, the Berlin-based pharmaceuticals and chemicals company, expects to pay an unchanged dividend of DM13 for 1993, on net profits likely to be down by about 3 per cent on last year's DM262m ($155m), Mr Klaus Pohle, finance director, said yesterday.

At the nine-month mark earnings were DM194m compared with DM201m in 1992, according to an interim report. The company blamed the fall on increasing competition and prices pressure in the drugs business, and falling plant protection sales.

Turnover in Germany, hit by recession and health service reforms, fell 12 per cent to DM694m, while foreign business grew 4 per cent to DM3.36bn.

The company's shares, which have performed strongly since its multiple sclerosis treatment, Betaseron, was approved by the US authorities last July, lost DM15 on the Frankfurt stock exchange, closing at DM1,060.

Schering stock has also benefited from the company's sharpened focus on the pharmaceuticals business. In its most recent move, it agreed to merge its plant protection operations with those of Hoechst, retaining only a minority stake.

According to Mr Pohle, sales of Betaseron in the US next year are likely to exceed DM300m compared with DM30m in the current period. Approval for its use in Europe is not expected before 1995.

Meanwhile, the VCI federal chemicals industry association forecast another poor year for the sector in 1994. Although volume sales might improve, turnover and profits would remain unsatisfactory, it said.

For the current year, it expected volumes to fall 3.5 per cent and industry-wide turnover to drop almost 7 per cent. With an eye on the current wage negotiations, the association warned of more job cuts to come after 30,000 this year.

Unit labour costs in the first eight months of 1993 were more than 3 per cent up on the year, while average productivity had risen only 0.3 per cent.

Inco to take charge for reductions in output

By Bernard Simon in Toronto

INCO plans to take a US$70m pre-tax charge against first-quarter 1994 earnings to cover the costs of recently announced cutbacks by the Toronto-based nickel producer.

At an analysts' meeting, Inco officials painted a mildly encouraging picture of the international nickel market, predicting a drop in Russian supplies to the west and a significant decline in inventories early next year.

While Inco's 1994 earnings will be hit by lower output and the shutdown charge, the company is giving high priority to further cost-reduction.

Its break-even nickel price is expected to fall below the $3.13 per pound projected in 1993, down from $3.19 last year. Capital spending will be cut to $150m in 1994 from $193m this year and a recent peak of $573m in 1990.

Inco predicts that world nickel supply, excluding eastern Europe, Russia and China, will fall to 330m lbs in the first quarter of 1994 from 385m lbs in the final quarter of this year. London Metal Exchange stocks, which have risen steeply in the past three years, are expected to drop to 220m lbs from 270m lbs.

Inco plans to cut its own output by 16 per cent next year.

The dent in inventories will be compounded by a projected 40,000 tonne decline in non-LME stocks of Russian metal during 1994.

Foreningsbanken loss grows

By Christopher Brown-Humes

SWEDEN'S fifth biggest bank, Foreningsbanken, yesterday announced an operating loss of SKr1.46bn ($180m) for the first nine months, up 52 per cent from the same 1992 period.

The result was dragged down by SKr3.38bn in credit losses, a 29 per cent increase from last year.

The bank expects a full-year loss of around SKr2bn and credit losses of more than SKr4bn.

The results were announced as the group unveiled details of a series of share offers, which could raise as much as SKr3.4bn in new equity as part of its plans to remain privately-owned and obtain a stock exchange listing.

The Swedish government is providing a SKr2.5bn guarantee, which can be utilised by the bank if its capital adequacy falls below 9 per cent over the next three and a half years. At the end of September, the ratio was just 5.5 per cent.

A consortium centred on the LRF, the Swedish farmers co-operative, is guaranteeing SKr2.5bn of the new issue, which will be priced at SKr15 per share.

A further SKr400m worth of shares will be offered to Swedish and international institutions, while SKr500m is available for over-subscription.

The bank aims to be quoted on the Stockholm Stock Exchange from January 1.

● STANDARD & Poor's, the debt rating agency, yesterday posted a negative outlook assessment on Investor, the main holding company of Sweden's powerful Wallenberg family, because of concerns about Saab-Scania, its 100 per cent owned vehicle and aerospace unit. A slide in profits at Saab-Scania contributed to an 80 per cent fall in Investor's half-year profits to SKr406m as it was hit by weak demand.

S&P said the revision of its outlook assessment from the previous status of stable, did not necessarily imply that a downgrade in Investor's debt rating would follow. But it reflected concern about Saab-Scania's medium-term ability to generate surplus cash flow for its parent amid "depressed market conditions and capital expenditure requirements".

The agency said this could force Investor to rely on further asset sales.

Unilever in Italian olive oil deal

By David Brown in Amsterdam and Haig Simonian in Milan

UNILEVER, the Anglo-Dutch consumer products group, is to acquire Bertolli, the Italian olive oil and vinegar business formerly owned by the state-controlled SME group.

Last month, SME, which is being slowly dismembered via sales to the private sector, sold its Cirio, Bertolli, De Rica (CBD) canned foods, edible oils and milk division to Fisvi, an agro-industrial holding company with extensive interests in southern Italy.

Fisvi has now sold Bertolli, Italy's second-biggest olive oils group, to Unilever. The disposals, which had been expected, follow an earlier unsuccessful bid by Unilever to purchase the entire CBD division directly from SME's parent, the IRI state holding company.

Unilever has now achieved its aim of just acquiring the olive oil business, its target from the beginning. The deal, which encompasses the Bertolli olive oil brand, production and marketing operations in Italy, and foreign sales channels, will add $150m to Unilever's worldwide turnover in olive oil.

No price for the deal has been disclosed. However, observers have estimated its value at some L 150bn ($91m).

Fisvi will use the proceeds to help finance its L307bn purchase of the entire CBD group. It has announced a big rights issue to fund the remainder.

The transaction will consolidate Unilever's dominance of the L 1,300bn Italian olive oil market, which it already leads with its San Giorgio and Dante brands. In 1991, the latter had a market share of about 14 per cent, against 8.5 per cent for Bertolli.

Unilever will also become the leading olive oil supplier in the US, with sales of nearly $75m.

German stores reveal link-up plans

By David Waller in Frankfurt

KARSTADT and Hertie, respectively the largest and third-largest department store groups in Germany, yesterday announced their intention to merge.

In a brief statement, the Essen-based Karstadt said its supervisory board had reached agreement with the trusts which control the privately-owned Hertie to buy all parts of the smaller company's business.

The deal, details of which will be revealed today by Hertie, has been widely expected in Germany for several days.

It will create a group with turnover of DM28bn ($16.6m). With sales of DM7bn last year, Hertie is about one-third the size of Karstadt, which had sales of nearly DM21bn in 1992.

The transaction is likely to value Hertie at DM1.5bn or more. The rationale will probably be the need to combine forces, given the depressed state of the department store market.

The federal cartel office in Berlin has already hinted it will order the merged companies to sell stores in a number of cities including Berlin, where the two are well-represented. However, the deal as a whole seems unlikely to be blocked.

Pacific Bell to invest $16bn in 'super-highway'

Martin Dickson
New York

PACIFIC Bell, the telephone company serving California, yesterday announced plans to spend $16bn over seven years to create a multi-media communications super-highway across its territory. It also awarded American Telephone & Telegraph a contract estimated at some $5bn to supply many parts for the system.

The project is thought to be the largest single network modernisation announced by a local US telecommunications group as both these companies and cable television operators start to pour capital into the creation of inter-active, multi-media communications networks.

It is also a coup for AT&T, which will act as systems integrator for the network and supply much of its hardware. Its contract is said by Pacific Bell to be the "single largest network equipment purchase in telecommunications history".

Pacific Bell, a subsidiary of the Pacific Telesis telecommunications group, said the modernisation programme would begin next year and initially concentrate on the heavily populated centres of San Francisco, Los Angeles, Orange County and San Diego.

More than 1.5m homes would be hooked up to the super-highway by the end of 1996 and more than 5m homes – or 60 per cent of those it now serves – would be connected by the end of the decade.

In addition to advanced telecommunications, Pacific Bell intends to offer video services, bringing it into direct competition with local cable television operators.

However, before it can get into the video market it must first overcome a ban on telecommunications companies entering this area, imposed under the 1984 cable act. Another local telecommunications group, Bell Atlantic, has already won this right through court action.

The investment is a bold step for Pacific Telesis, which has held back from the US rush into multi-media services and alliances between programme providers and communications distributors. It said yesterday it believed it could obtain programming without taking an equity position in a content provider.

The company said it could fund the upgrade by cutting $500m to $1bn from its cost structure, with no additional expense to rate-payers and no additional debt for now.

Double-digit rise at The Gap

By Frank McGurty in New York

THE GAP, the US casual clothing store chain, impressed Wall Street yesterday by reporting a double-digit increase in earnings despite a flat retailing environment.

Net income advanced to $78.9m, or 54 cents, compared with $62m, or 43 cents, in the corresponding period of 1992, when excessive inventory forced the clothing chain to mark down many prices.

The results exceeded the forecasts of analysts, who had expected earnings of 47 to 50 cents, and triggered so much buyer interest that stock trading was briefly suspended.

When activity resumed, the share price shot up $2⅝ to a 52-week high of $38⅞.

In the three months to the end of October, sales rose by a moderate 8.6 per cent to $898m, against $828m in the year-earlier quarter. The gain comes during a disappointing season for some US apparel retailers.

Mr Thomas Kully, an analyst with William Blair, a New York securities firm, said the chain maintained a tighter grip on its inventory this autumn by limiting its collection to the most popular items.

In the nine months to end October, net income was up to $149.1m, or $1.03, on revenues of $2.28bn, a 10 per cent gain.

IBM may sell off Federal Systems

By Louise Kehoe
in San Francisco

INTERNATIONAL Business Machines is "exploring the possibility" of selling all or part of its Federal Systems Company, a US-based division that sells computers and services to the Federal government.

IBM said it had been contacted by several companies acting individually, which were interested in acquiring all or part of FSC. In the past, similar inquiries have been turned down. Now, however, faced with declining profits, IBM is apparently more receptive to such offers.

"We are evaluating several proposals," a spokesman said, while emphasising that no decision had been made. FSC sells almost exclusively to the US government. Its contracts typically involve complex systems integration projects, such as air traffic control.

A large portion of its business is with the US Defense Department and the division is also responsible for sales of office computers to all government agencies.

The distinctive nature of FSC's business makes it a potential candidate to be sold as IBM struggles to reduce costs and boost its profitability.

FSC employs 11,400 people, almost all of them in the US. The division posted 1992 revenues of $2.2bn, up from $1.9bn the previous year, but its business has been relatively flat over recent years amid US defence spending cuts.

For 1992, the division recorded a net profit of $71m after being assessed for a portion of IBM's restructuring charges.

The sale of FSC would, however, break an historic tie between the US government and IBM. Traditionally, IBM has been one of the largest suppliers of computer equipment and services to the US government.

Although the federal government is the largest purchaser of computer equipment and services in the US, it is a notoriously difficult customer.

Dark horse Nextel looks for a winning line

Louise Kehoe on a company making an impact in the US cellular telephone sector

NEXTEL Communications, a six-year-old New Jersey radio dispatch service company, this week burst on to the scene as a potential new rival to established US cellular telephone services. The little-known company came into the limelight with the acquisition of mobile radio spectrum rights from Motorola of the US for $1.8bn in stock.

Formerly called Fleet Call, Nextel is the second largest company, behind Motorola, in the US "specialised mobile radio" (SMR) market, providing radio dispatch communications services for taxis, delivery vans and the like.

Growth in the SMR sector has been constrained by the lack of radio-frequency capacity in most US cities, making it a sleepy backwater in an otherwise booming business.

But Nextel has ambitious plans to build its SMR business into a national network, using new digital technology from Motorola which in addition to dispatch services will provide mobile telephone, messaging and paging services.

The Motorola deal tops a series of smaller transactions through which Nextel has acquired radio licences and stakes in other companies with licences. These deals have given it access to 45 of the 50 most populous regional markets in the US.

Since its formation Nextel has raised $1.2bn through public and private equity and debt offerings. But the company has paid for most of these acquisitions with stock, taking advantage of a run-up in its share price from $15 at the beginning of last year to $47¼ yesterday on the New York stock exchange.

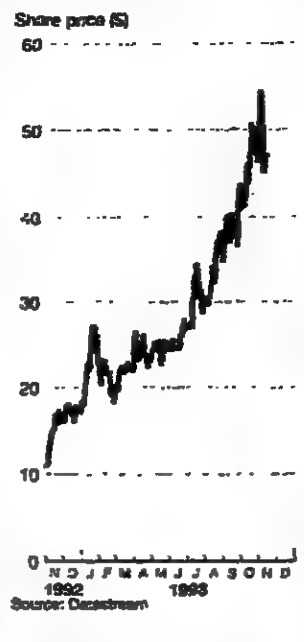
In another deal announced this week, Nextel reached an agreement with Nippon Telegraph and Telephone of Japan, one of the world's largest telecommunications companies.

NTT will assist Nextel with the design and management of a network connecting all of its SMR sites throughout the US. To cement the deal, NTT will acquire a 1 per cent stake in Nextel, or about 1.5m shares, for $75m.

Motorola, which received a 20 per cent stake in Nextel in exchange for its radio licences, has also provided the company with $260m in credit facilities for the purchase of Motorola equipment.

Other Nextel shareholders include Comcast, a cable television and cellular phone service company, which holds a 12 per cent stake, with rights to boost its holding to 30 per cent; Matsushita Communications, which owns about 5 per cent, and Northern Telecom.

Nextel Communications



Source: Datastream

Investors have been lured to Nextel by the promise of a high-growth US market for mobile communications services. There are about 13m cellular phone subscribers in the US, and the market is expected to grow 40 per cent this year.

Nextel's digital mobile phones will not be compatible with existing analogue cellular services. However, the company believes it can attract customers by offering "integrated" mobile communications services and improved quality.

"Currently 64 per cent of our dispatch customers also carry a cellular telephone, while 53 per cent carry a pager," said a Nextel spokesman.

For these and the increasing number of business travellers who carry a collection of electronic devices, integrated communications services with a single multi-purpose handset is expected to have a strong appeal.

Nextel will also provide integrated billing and says its prices will compare favourably with multiple services purchased separately from competitors.

"No longer will customers be required to carry two or three pieces of hardware, paying two or three bills to two or three different service providers," said Mr Brian McAuley, president and chief executive of Nextel.

Nextel is testing its technology and marketing strategy in Los Angeles where it began a pilot project with about 500 customers this summer.

Full scale marketing will begin in January, with Nextel targeting businesses such as estate agents, film and TV producers, caterers and others who typically carry more than one communications device. Eventually, Nextel aims to tap into the growing consumer market for mobile communications.

Nextel plans to move quickly. It aims to have a California-wide network in operation early next year, with New York and Chicago to follow by mid-1994 and a nationwide service by the end of 1995.

The cost of deploying its services across the US could be more than $1bn, and it may be years before it turns in a profit, analysts warn. In the year ended March 31, Nextel lost $9.6m on $53m revenue.

Competition is also mounting, with leaders in the US cellular telephone market, such as GTE and PacTel Cellular, beginning to upgrade to digital technology. Personal Communications Service "Pocket" telephones are also on the horizon, promising yet another option for mobile communications.

So far Nextel is the only company in the US mobile communications market to promise a nationwide service. With the cellular telephone industry locked in a battle over digital technology standards, Nextel may become the dark horse that comes out ahead in the mobile communications race.

Walt Disney's historical vision

By Martin Dickson
in New York

WALT DISNEY, the US entertainment group, yesterday announced plans to build a new theme park, featuring re-enactments of events in American history, on a 3,000-acre site in northern Virginia, just west of Washington, DC.

The company said the park and a related shopping complex could open as early as 1998 if agreements on development were reached with local and state governments.

It would create some 3,000 jobs in the area.

Confirmation of the long-rumoured scheme came just 24 hours after Euro Disney, the Paris theme park in which Walt Disney has a 49 per cent stake, reported annual losses of $930m.

Virginia is a growing tourist destination, with attractions which include the restored colonial village of Williamsburg and several theme parks, including those operated by Paramount Communications and brewer Anheuser-Busch.

Disney said its park would be different from the others it operates which focus on Disney characters, in both subject matter and presentation.

It would use new technology to allow visitors to "participate" in historical events by, for example, piloting a world war two aircraft and taking part in Revolutionary and Civil War battle re-enactments.

Visitors would also meet life like dummies of US presidents using Disney's audio-animatronics technology.

The village, near the civil war battlefield of Bull Run, would also include a high speed "thrill" attraction called the industrial revolution.

The project has yet to receive planning permission, and complications here could scupper it: Disney abandoned a $3bn marine park in Long Beach, California, which it had announced in 1990, because of regulatory and environmental concerns.

Congressional sources said the company hoped the Virginia park would attract up to 30,000 visitors a day.

Air Canada turnround continues in quarter

By Robert Gibbens in Montreal

A LEANER, more competitive Air Canada continued its turnround in the third quarter despite slow economic recovery and slack operating revenues.

It reported third-quarter operating revenues of C$1.03bn (US$795m), up 2 per cent from a year earlier, and operating income of C$94m, against C$39m. It was the fourth consecutive year-to-year gain at the operating level and an improvement over the June quarter. Final net profit was C$43m, or 56 cents a share (fully diluted), against a loss of C$14m, or 19 cents.

But Mr Hollis Harris, chairman, warned of more cuts and staff reductions ahead unless structural problems in the Canadian airline industry were resolved soon. He renewed Air Canada's C$1bn offer for Canadian Airlines' international routes, adding: "We remain available to find a comprehensive solution." Under this plan Canadian would become domestic carrier.

For the nine months, revenues rose slightly to C$2.73bn and operating income was C$82m, against a loss of C$97m. After restructuring and financial charges, the net loss was C$236m, or C$3.20, against a loss of C$307m or C$4.14.

Microsoft alters distribution chain for Europe

By Alan Cane

MICROSOFT, the world's largest personal computer software supplier, is changing its European distribution methods as part of its strategy of retreating from activities other than software development and manufacture.

It plans to eliminate one link in the software distribution chain to European customers.

The group intends to open a European distribution centre at its manufacturing facility in Dublin, Ireland, which will eventually provide a single warehouse and distribution service for its European distributors.

In the UK, Microsoft's principal distributors are Merisel and Frontline.

The new Irish distribution centre will remove the need to carry inventory in each country and Microsoft's warehouses will be phased out over the next year.

The company has been acting as its own master distributor in Europe, importing products separately in each country and supplying them to distributors.

"Microsoft is a software company, not a distributor and if we are to continue to be successful we must focus on this," said Mr Bernard Vergnes, president of Microsoft Europe.

"In the past five years we have seen Europe move towards being a single market with more companies wanting to do business at a pan-European level," he added.

The company is working with distributors to establish electronic links which will enable products to be manufactured to order.

Distributors will place orders directly with the manufacturing plant. Microsoft operates this system in the US where it deals with only three main distributors.

In comparison, it has arrangements with almost 100 distributors in Europe.

The company's Irish manufacturing plant is producing software at the rate of about 12m units a year.

Mitsubishi Petrochemical in the red in first half

By Robert Thomson in Tokyo

MITSUBISHI Petrochemical, the Japanese plastics and chemical producer, reported a Y5.4bn ($50m) pre-tax loss for the first half to September, as leading customers demanded price reductions during a difficult trading period.

In the same period last year, Mitsubishi Petrochemical had a pre-tax profit of Y6bn, but it slipped into the red as sales in the first half this year were down 9.6 per cent to Y169.7bn, partly because industrial customers were hurt by the yen's appreciation and the advantage of cheaper imported raw materials was lost.

Profits were eroded by maintenance work at a petrochemical complex. .For the full year to March, it is forecasting a pre-tax loss of Y5.5bn, against a profit of Y8.3bn last year, on sales of Y350bn, down from Y372bn. It said an interim dividend would not be paid.

● Asahi Chemical Industry, the chemicals, plastics and synthetic fibre producer, said its pre-tax profits fell by 50 per cent to Y8.77bn during the half year to September and sales by 6.3 per cent to Y456.4bn.

It expects profit for the full year of Y22bn, down from Y35.2bn last year and from its previous forecast of Y30bn.

● Teijin, Japan's leading maker of polyester, suffered a 33.2 per cent fall to Y6.06bn in pre-tax profit for the first half. Textile sales fell 13.7 per cent and chemical sales 9.5 per cent.

Total sales slipped 8.8 per cent to Y154.8bn, and sales for the year are forecast at Y320bn, a fall from Y332bn last year. Pre-tax profit for the year is expected to be Y11.5bn, compared with Y17.5bn last year.

Nedcor increases earnings by 17%

By Philip Gawith in Johannesburg

NEDCOR, South Africa's fourth-largest bank, met market expectations with a 17 per cent rise in earnings per share to 251 cents in the year to September, from 215 cents last time.

The results, which are identical to those of its two main competitors, confirm the bank is in sound health. Its shares have enjoyed a substantial rerating over the past year, their price rising to R24 from a low of R13.75 in November 1992.

There was a good performance from the Perm, the home loan arm of the group, which has encountered problems through its high exposure to the difficult township market. The Perm increased net income by 22 per cent to R85m ($19.3m) from R70m.

Mr Richard Laubscher, managing director, said the Perm's bad debt level was 20 per cent down on last year, and that 94 per cent of the total bond book was fully paid up to date.

Net interest income in the group rose by 11 per cent to R1.8bn from R1.62bn, while other income rose by 14 per cent to R1.18bn from R1.04bn. Specific and general risk provisions increased by 22 per cent to R282m from R231m – more than that of some competitors. Mr Chris Liebenberg, chief executive, said: "We want to be as conservative and realistic as possible."

A 9 per cent fall in the tax bill helped boost attributable earnings by 23 per cent to R501m from R408m.

The dividend rose by 17 per cent to 77 cents per share from 66 cents. Group advances grew to R40bn from R34.7bn and total assets rose to R51.7bn from R47.3bn.

Correction

National Commercial Bank

TOTAL assets of Saudi Arabia's National Commercial Bank stood at SR63.7bn in 1992, and not SR26bn as stated in some editions yesterday.

Litigation gives Mitsui second thoughts

Robert Thomson examines the setback in plans for a merger of two Japanese pharmaceutical groups

ON SIGNING a merger agreement with Toyama Chemical earlier this year, executives at Mitsui Pharmaceuticals were delighted at extending their range of antibiotics and issued an optimistic profit forecast for the new company's first year of trading.

But a closer look at Toyama Chemical has prompted Mitsui Pharmaceuticals and the Mitsui group to step back from the agreement reached in April, and request that the two sides restart negotiations in the hope of signing another contract late next year.

Mergers are rarely simple in Japan, as prospective partners are often unable to agree on the mixing of their rigid management hierarchies. But the scrapping of the Toyama-Mitsui agreement highlights how the excesses of the so-called "bubble era" of the late 1980s have added to the risks of corporate marriage.

The delay is a loss of face for both companies, but Mitsui Pharmaceuticals, a subsidiary of Mitsui Toatsu Chemicals, thought it safer to wait until the settlement of litigation pending over the collapse of a Toyama affiliate, Yuho Chemical, which had debts estimated at Y40bn ($373m) when it failed in late 1990.

Yuho was a conservative chemicals company until the late 1980s, when it diversified into property development and became friendly with the recently dissolved Itoman trading house group, which found itself entangled in art scams and underworld deals.

Sanyo General Capital, a financial affiliate of Sanyo Securities, a second-tier Japanese broker, has launched a legal action against Toyama Chemical to recover Y5bn in compensation for loans made to Yuho.

The prospect of inheriting at least one legal action, and perhaps more if the case was successful, led Mitsui Pharmaceuticals to think again. The retreat was complicated, however, as Sakura Bank, at the centre of the Mitsui family of companies, is also a main bank of Toyama Chemical.

"In principle, there is no problem, but the companies will make a new agreement based on the most recent financial data. We will also solve problems relating to computer systems, company rules and the legal case," Mitsui Toatsu said.

Mitsui says that "we are told" that Toyama will have no responsibility, but "we will see what happens in the court case". Toyama is more enthusiastic, arguing that the merger will definitely be remade when the two sides sort out differences over management structures and computer systems.

These are the more common disagreements between potential merger partners, along with asset valuation, which was sometimes arbitrary before the bubble era, and has since become an even greater source of contention. Companies have been very reluctant to write down the value of assets in the wake of the bubble's collapse.

An emerging problem is redundancy payments, as many Japanese companies have failed to keep pace with retirement benefit schemes, partly because only 40 per cent of the provisions are tax deductible. But the need to cut workforces creates a larger than expected liability for companies merging with or acquiring an underfunded partner.

In the longer-term, as Toyama and Mitsui discovered even before joining hands, keeping middle managers happy and streamlining the hierarchy are difficult to balance. Nippon Steel, the world's leading steelmaker, was created in 1970 through the merger of two companies, and the presidency is still alternated between managers who joined from the two different streams.

However, Mitsui had been prepared to tackle these difficulties in the hope of building a pharmaceuticals company comparable to those of the Mitsubishi and Sumitomo *keiretsu*, or corporate families. Mitsui also said that it and Toyama had research and marketing systems that would complement rather than compete with each other.

Despite these benefits, the Mitsui group has decided that it doesn't want a share of Toyama's legal troubles. Another new characteristic of the post-bubble climate is a greater willingness by Japanese companies to take legal action to settle disputes.

NEWS IN BRIEF

More calls to China lift KDD

KDD, Japan's international telecommunications company, posted a rise in six-month sales and profits due to an increase in international calls to China and other Asian countries, writes Emiko Terazono.

Unconsolidated pre-tax profits for the first half of 1993-94 rose by 21.3 per cent to Y16bn ($149m) on a 3.5 per cent advance in sales to Y124.4bn. After-tax profits increased by 52.4 per cent to Y10.5bn.

For the full year to March, KDD expects pre-tax profits to rise by 12.4 per cent to Y30bn on a 3.3 per cent increase in sales to Y248bn.

Malaysian utility profit up 31%

TENAGA Nasional, the partially privatised Malaysian electricity utility, has announced pre-tax profits for the year ending August 31 1993 of M$1.85bn (US$726m), a 31 per cent rise on last year's figures, writes Kieran Cooke in Kuala Lumpur.

Revenues were up 18 per cent to M$5.03bn while earnings per share rose 15 per cent to 50.8 Malaysian cents. The total dividend for the year was 12 Malaysian cents.

Tenaga, in which the government still owns a stake of more than 70 per cent, is one of Malaysia's biggest listed companies.

The electricity utility has had a difficult year and came under strong criticism following serious power shortages.

Pasminco plans to raise A$88m

PASMINCO, the Australian zinc and lead producer, yesterday announced plans to raise A$88m (US$58m) of new capital by a private placement of 72.1m new shares at A$1.22 each, writes Nikki Tait in Sydney. The move will increase Pasminco's issued capital by about 10 per cent.

Pasminco's two biggest shareholders, CRA and North Broken Hill Peko will both participate in the issue, subscribing for approximately 21.6m shares, or 3 per cent of the pre-placement issued capital. This is the maximum they are allowed to subscribed for under the Australian law.

CRA and North Broken Hill will fund the purchase by converting approximately A$26.4m of a $40m drawn portion of a loan facility which they have provided to Pasminco. The total facility is for A$100m.

Pasminco said that it would use the funds to reduce debt, which has already fallen recently due to the sale of a UK zinc smelter to MIM. It added that negotiations with the Dutch authorities over the Budelco zinc smelter in the Netherlands, in which it holds a 50 per cent interest, had "progressed constructively" and it expects agreement to be reached before the end of 1993.

Alcoa acquisition

ALCOA, the integrated aluminium producer, is taking a one-third stake in Australian Fused Materials, a West Australian producer of fused alumines for refractory applications, writes Nikki Tait.

The stake is being bought by ACAP Australia, which is jointly owned by Alcoa of Australia and the industrial chemicals division of the Aluminum Company of America.

Economic slump boosts Japanese suit makers

By Emiko Terazono in Tokyo

JAPAN'S discount suit makers saw interim profits for the six months to September surge as consumers turned to cheaper products due to the prolonged economic downturn.

Aoyama Trading, the leading manufacturer and retailer of office workers' blue suits, reported a 34.5 per cent jump in non-consolidated pre-tax profits to Y12.2bn ($114m) on a 38.7 per cent rise in sales to Y76.6bn. After-tax profits soared by 41 per cent to Y7.2bn.

The company, which is known for its aggressive discounts, has been actively launching new outlets throughout the country.

It opened a store in the luxury shopping area of Ginza in Tokyo this year. For the full year to March, Aoyama expects a 15.9 per cent rise in pre-tax profits to Y35bn on a 33.5 per cent increase in sales to Y150.9bn.

Aoki International said its interim pre-tax profits rose by 8.3 per cent to Y5.3bn, helped by an expansion of sales outlets.

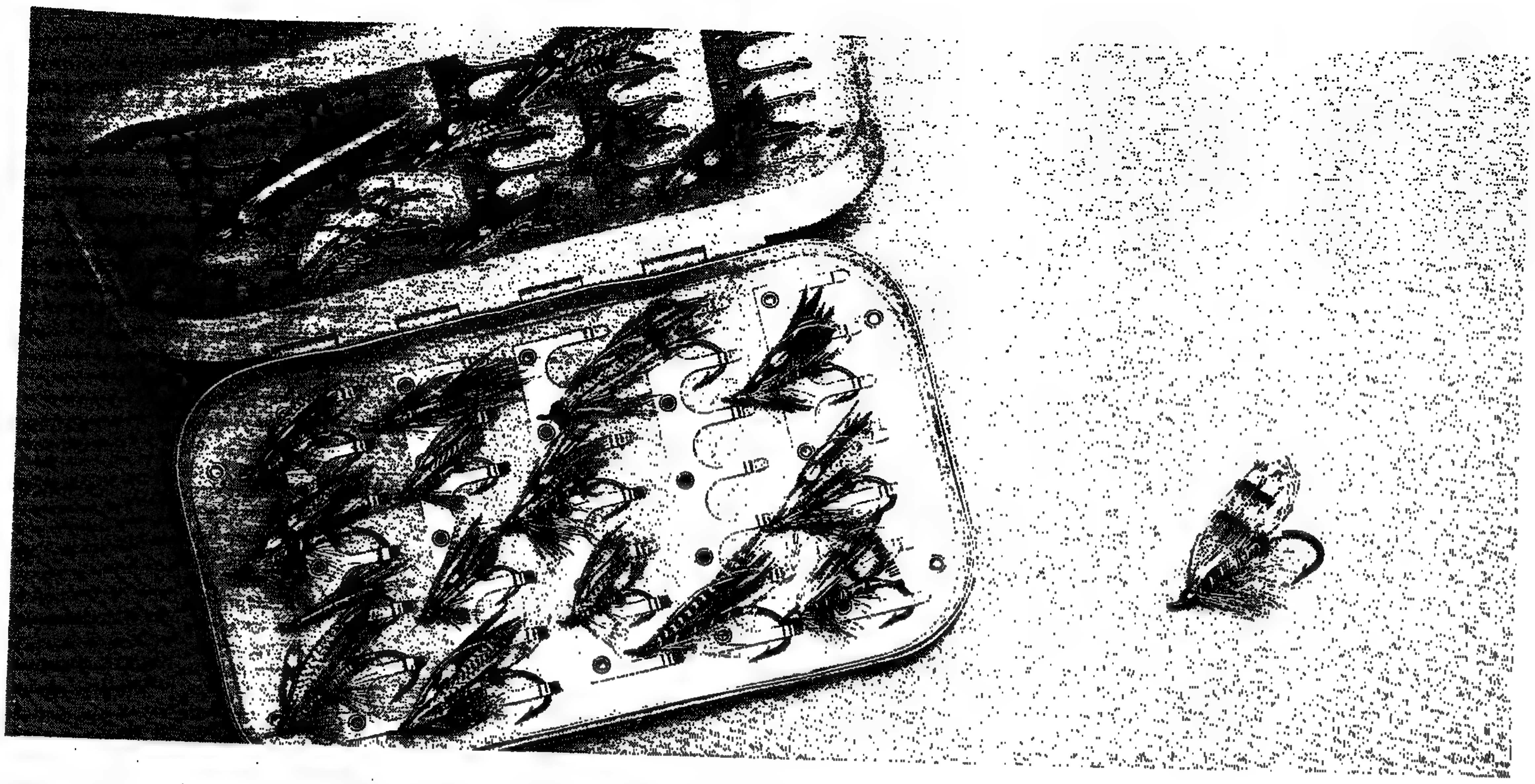
Half-year sales advanced by 10 per cent to Y36.1bn, while after-tax profits rose by 3.5 per cent to Y2.5bn.

The company said sales at existing stores were stagnant because of the bad summer weather, but it saw an increase in demand for its original design items. For the full year to March, Aoki expects a 20.7 per cent rise in pre-tax profits to Y13.6bn on a 16.4 per cent advance in sales to Y94bn after the planned launch of 21 new stores.

● Sankyo, the Japanese drugs company, said pre-tax profits for the half year to September rose by 11 per cent to Y39.7bn due to firm sales and cost-cutting efforts.

The company posted a 2.7 per cent increase in sales to Y206.2bn and a 27 per cent rise in after-tax profits to Y17.2bn.

For the year to March, the company expects a 9.5 per cent rise in pre-tax profits to Y77bn, while sales are expected to remain almost flat at Y399bn.



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INTERNATIONAL CAPITAL MARKETS

African Development Bank to re-finance $800m debt

By Antonia Sharpe

THE African Development Bank (AfDB) intends to re-finance the equivalent of $800m worth of maturing debt in the Eurobond market next year. It also plans to raise the equivalent of $200m to $300m in new funding in 1994.

INTERNATIONAL BONDS

This year, the AfDB has raised $850m in the Eurobond market and in the Samurai market, the Japanese domestic bond market for foreign borrowers.

Mr Kofi Bucknor, AfDB chief treasurer, said the maturing debt was denominated in D-Marks, French francs and Swiss francs and was likely to be re-financed in those currencies or in the dollar.

Mr Bucknor, who was in London yesterday to meet investors, added that the AfDB would continue to be an active user of the Samurai market where it was able to obtain favourable funding rates.

The AfDB achieved a yield spread of 45 basis points over Japanese government bonds on its offering of 20-year Samurai bonds earlier this year. This was marginally below the yield spread of 48 basis points over US Treasuries on the bank's $500m 30-year Eurobond issue which was launched in March.

Among yesterday's issues, the 1996 Olympic Games in Sydney gave a touch of glamour to the first Eurobond offering from Federal Airports Corp (FAC), the Australian government-owned airport operator.

FAC raised $200m through an issue of 10-year Eurobonds. Due to the holiday in the US yesterday, the pricing of the bonds was postponed until today, when they will be priced to yield 65 basis points over the when-issued 10-year US Treasury.

Lead manager CS First Boston said the bonds had a good reception among European investors who were keen to increase their exposure to the Australian corporate sector after several years of neglect.

Fears that US interest rates could start to rise in the coming months are likely to prompt more corporate borrowers to tap the Eurodollar sector.

National Power, the UK's largest electricity generator, said yesterday that it was planning to launch a dollar-denominated Eurobond offering, via Merrill Lynch.

The market expects the offering to raise $300m, have a maturity of 10 years and be priced to yield 65 to 70 basis points over underlying US Treasuries.

The German state of Baden-Württemberg raised DM500m through an offering of 20-year Eurobonds. However, holders have a put option on the bonds from 2003. Lead manager Morgan Stanley said the put option enabled investors to choose the final maturity of the bonds.

Two UK building societies took advantage of continued investor demand in the UK for high-yielding paper to raise capital in the Eurosterling sector.

Alliance & Leicester extended the maturity profile of the Eurosterling floating rate note (FRN) market when it raised £200m worth of senior debt through an offering of seven-year FRNs.

Lead manager Samuel Montague said yesterday's issue of FRNs offered investors a yield spread of 30 basis points over Libor, eight basis points more than the current yield spread on Alliance & Leicester's five-year notes.

"Yield spreads on deals at the shorter end have tightened so investors are willing to take on another two years for the extra yield," said an official at Samuel Montague.

Nationwide Building Society raised a total of £200m yesterday, by launching a £125m offering of 25-year Eurobonds and by increasing its 13¾ per cent £125m Eurobond issue due 2000 by £75m.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book runner
US DOLLARS							
Federal Airports Corp.	200	(a)	(a)R	Nov.2003	0.35R	+65(5½% 10yr)	CS First Boston
LB Schleswig-Holstein	200	4.50	99.25R	Jan.1997	0.20R	+20 (4¾%-96)	Daiwa Europe
Kleinwort Finance & Secs(b)§	60	(4-4½)	100.00	Nov.2003	2.50	-	Barclays de Zoete Wedd
D-MARKS							
State of Baden-Württemberg(c)	500	6.20	99.815R	Nov.2013	0.325R	-	Morgan Stanley Frankfurt
Sapporo Breweries(d)§	200	1.75	100.00	Dec.1997	2.85	-	Yamaichi Bank (Deutsch)
STERLING							
Alliance & Leicester B/S‡	200	(e)	99.15R	Nov.2000	0.20R	-	Samuel Montagu & Co.
Nationwide B/S(f)	125	8.625	99.446R	Mar.2018	0.625R	+130(8¾%-17)	Baring Bros./S. Montagu
Nationwide B/S(g)	75	13.50	127.794R	Nov.2000	0.45R	+145 (9%-00)	Baring Bros./S. Montagu
YEN							
SBAB‡	10bn	(h)	103.00	Dec.1998	undisd.	-	Nikko Europe
SWISS FRANCS							
Sapporo Breweries(i)♦	200	0.625	100.00	Dec.1997	-	-	Swiss Bank Corp.

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. +Private placement. §Convertible. ♦With equity warrants. ‡Floating rate note. R: fixed re-offer price; fees are shown at the re-offer level. a) Priced today. b) Fixing: ≤16/11/93. Callable from 15/12/96, subject to 140% rule, at par. c) Short 1st coupon. Puttable annually from 22/11/03 at par rising to 108.66% at redemption. d) Fixing: 15/11/93. Refixing clause effective Oct.1996. e) Coupon pays 3-month Libor + 0.15%. f) Short 1st coupon. g) Fungible with the outstanding £125m. Plus 1 day accrued interest. h) Coupon pays 6-month Libor + 0.62%. i) Fixing: 16/11/93.

Reuters attacks its partners in Globex system

By Laurie Morse

REUTERS has accused its two partners in Globex, the after-hours electronic futures trading system, of breaching their obligations under their joint venture agreement.

Under the existing deal, the Chicago Board of Trade and the Chicago Mercantile Exchange, which jointly developed Globex with Reuters at an estimated cost of $80m, have control of the day-to-day running of the system.

In a letter to the Chicago Board of Trade dated Friday, Mr Simon Yencken, Reuters' general counsel, chides the exchange for promoting its own home-grown computer trading system, Project A, at the expense of Globex, and for failing to list its agricultural futures contracts on the Globex system, as promised more than a year ago.

"As a result of its actions, the CBoT has put the Globex Joint Venture in breach of material obligations under the 1992 Globex Agreement," Mr Yencken wrote to CBoT chairman Mr Patrick Arbor.

Mr Bob Crooke, at Reuters in New York, said the company was reluctant to comment on what it considered to be "private and confidential" correspondence. He said Reuters was awaiting a reply from the CBoT.

The letter, which was released anonymously to Chicago media in an escalation of the dispute, underscores the uncertainty over the future management of the system.

Reuters is the primary investor in Globex, which has disappointed its developers since its launch 16 months ago, with the two Chicago giants generating less than 15 per cent of Globex volume. Fearing competitive disadvantage, other world exchanges have been slow to sign on to the system and put themselves under Chicago's control.

Reuters is widely expected to restructure the Globex agreement early next year, giving some management powers to the Paris futures exchange, Matif, which generates 85 per cent of Globex's volume. Reuters is also negotiating separately with Liffe, and is expected to give it a voice in governance if it agrees to join Globex.

Reuters needs to add Liffe products and to distribute terminals in Asia in an effort to make Globex profitable.

Although Mr Yencken's letter singles out the CBoT, both the CME and the CBoT continue to operate after-hours trading mechanisms that compete with Globex and limit its effectiveness.

Mr Arbor said he had been traveling and had not seen the Reuters letter. However, he said Globex is in need of an overhaul: "I've just come from New York and the situation is not good. Globex is not being used, there is no demand, [companies] are having trouble staffing for the product, and I saw machines in people's closets.

"Globex is in the 'Kitty Hawk' stage. It will work, eventually there will be a use for it, but right now the governance needs to be addressed."

Correction
Hydro-Quebec

HYDRO-Quebec's debt is rated A+ by Standard & Poor's, not A- as stated in Thursday's paper

Argentina launches float campaign

By John Barham in Buenos Aires

ARGENTINA'S government today launches a local and international marketing campaign for the flotation of its 30 per cent minority stake in a privatised electricity generator.

It hopes to raise $110m-$126m from the sale of its remaining shares in Central Puerto, a 1,009MW Buenos Aires generator privatised last year.

Pricing of the shares, expected to range between $4.50-$5.00 each, will take place on November 23. It plans to follow this with an offer of 30 per cent in the 1,260MW Central Costanera generator.

This will be the third time the government has floated its minority stake in a privatised company. It has raised $2.06bn from the sale of 30 per cent stakes in two telephone companies.

Next year, the government expects to sell minority stakes in 10 gas companies privatised last year for $1.54bn.

Approval of budget cuts lifts Italian issues

By Sara Webb

EUROPE'S high-yielding government bond markets enjoyed the biggest gains on a day when some European markets and the US were closed for public holidays.

Italian government bonds gained about half a point, benefiting from the news that the Senate had finally approved cuts for the 1994 budget which will cut L31,000bn from the deficit. The budget legislation will now pass to the lower chamber.

Spanish government bonds ended firmer following the release of poor unemployment figures which showed the Spanish jobless rate rising to 17.2 per cent in October.

GOVERNMENT BONDS

Dealers said the jobless news had raised some hopes that the Bank of Spain would lower interest rates at today's repo. The Spanish bond futures contract rose 0.06 on the day to end at 101.97, having touched a high of 102.23.

■ GERMAN government bonds ended lower in thin trading and the bund futures contract saw selling pressure at the 99.62 level, falling back to close at 99.46.

Mr Otmar Issing, Bundesbank board member, was reported saying that the central bank would cautiously test the scope for further interest rate cuts as price and money supply growth pressures eased, but dealers said the news did not have much impact on the market.

■ INDEX-LINKED gilts were the main movers in the UK government bond market yesterday, with dealers suggesting that the fall of over half a point for the second consecutive day was probably due to a couple of big US investors taking profits.

Conventional stocks saw little activity, with longer-dated gilts slipping about $\frac{1}{16}$. The December long gilt future closed $\frac{1}{16}$ lower at 113¾ while the December short sterling contract settled five basis points lower at 94.40 as dealers said hopes of a near-term cut in the base rate appeared to be evaporating.

■ JAPANESE government bonds ended weaker on profit-taking, in the wake of the recent rally which saw the futures contract reach a six-year high earlier in the week.

The rate on three-month certificates of deposit fell to an all-time low of 2.32 per cent yesterday.

Mr Gerard Lyons, chief economist at DKB International, said he expected money market rates to continue to decline.

"The bond market has discounted a lot of the recent bond-positive news, but given the way the economy has performed recently there's still further room for the market to rally," he said.

The March futures contract, which took over yesterday as the most heavily traded contract from the December one, opened at 114.45 and ended at 114.30.

The December contract fell to 115.10 from 115.17.

FT FIXED INTEREST INDICES

	Nov 11	Nov 10	Nov 9	Nov 8	Nov 5	Year ago	High *	Low *
Govt.Secs (UK)	102.82	102.58	102.61	102.30	102.26	95.34	103.60	93.28
Fixed Interest	123.32	123.28	123.12	122.92	123.36	110.26	125.20	108.67

Basis 100: Government Securities 15/10/26; Fixed Interest 1928.
* for 1993. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75)
Fixed Interest high since compilation: 125.20 (1/9/93), low 50.53 (3/1/75)

GILT EDGED ACTIVITY

Indices*	Nov 10	Nov 9	Nov 8	Nov 5	Nov 4
Gilt Edged Bargains	124.0	205.6	101.8	112.7	90.9
5-Day average	127.0	118.6	96.3	95.4	92.9

* SE activity indices rebased 1974

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		9.500	08/03	120.2105	-0.970	6.65	6.59	6.82
BELGIUM		9.000	03/03	113.1000	-	7.04	6.99	7.[illegible]
CANADA *		7.500	12/03	105.0450	-0.155	6.80	6.89	6.77
DENMARK		8.000	05/03	110.9000	+0.100	6.43	6.40	6.48
FRANCE	BTAN	5.750	11/98	101.3104	-	5.44	[illegible]	5.60
	OAT	6.750	10/03	104.8400	-	6.08	6.06	5.99
GERMANY		6.000	09/03	100.7550	-0.020	5.89	5.86	5.93
ITALY		10.000	08/03	105.1850	+0.475	9.39†	9.42	9.04
JAPAN	No 119	4.800	06/99	109.9145	-0.004	2.82	2.88	3.16
	No 157	4.500	06/03	107.2874	-0.002	3.49	3.51	3.77
NETHERLANDS		7.000	02/03	107.9700	-0.010	5.85	5.83	5.89
SPAIN		10.900	04/03	114.1500	+0.150	8.67	8.59	[illegible]
UK GILTS		7.250	03/98	104-08	-	6.13	6.11	6.23
		8.000	06/03	107-31	-1/32	6.85	6.82	6.81
		9.000	10/08	116-11	-1/32	7.[illegible]	7.16	7.13
US TREASURY		5.750	08/03	100-10	-5/32	5.71	5.63	5.21
		6.250	08/23	100-17	-8/32	[illegible]	6.11	5.89
ECU (French Govt)		8.000	04/03	110.3600	-	6.50	6.47	6.50

London closing. Yields: Local market standard
† Gross annual yield (including withholding tax at 12.5 per cent payable by non-residents.)
Prices: US, UK in 32nds, others in decimal. Technical Data/ATLAS Price Sources

MARKET STATISTICS

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:00 pm on November 11

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
Abbey Natl Treasury 6½ 03	1000	101⅞	101⅞	-⅛	6.33
AlbertaProvince 9¾ 95	800	109	109⅛		4.47
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
Arbed 7½ 95 LFr	600	99⅞	100⅞		7.87
Cofinance Lux 9¾ 99 LFr	1000	107⅞	110⅞		7.43
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	13	[illegible]	27
Other Fixed Interest	0	3	12
Commercial, Industrial	221	324	874
Financial & Property	192	96	539
Oil & Gas	11	31	37
Plantations	0	0	9
Mines	46	28	64
Others	45	60	46
Totals	528	570	1,608

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amt Pd up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price	+ or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
§140	F.P.	-	165	140	Abacus	163		[illegible]	2.0	2.7	22.1
-	F.P.	-	94	86	Abtrust Emerg Economies	91	+1	-	-	-	-
-	F.P.	-	52	46	Do Warrants	50½	+3½	-	-	-	-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price p	+ or -
30	Nil	9/12	40pm	37pm	Ashford	40pm	
370	Nil	12/11	65pm	35pm	Black	40pm	+2
85	Nil	23/11	13pm	5pm	[illegible]	5pm	
60	Nil	14/12	8pm	6pm	Elliott (B)	6pm	
35	Nil	13/12	1½pm	½pm	Eng & Overseas Props	½pm	-⅛
187	Nil	10/12	41pm	28pm	Frost	40pm	+2
375	Nil	6/12	145pm	115pm	Matthew Clark	145pm	+2
485	Nil	24/11	86pm	74pm	Siebe	74pm	-4
195	Nil	12/11	26½pm	5½pm	Takare	6pm	+1
2½	Nil	10/12	½pm	½pm	Wentworth	½pm	
15	Nil	27/11	3pm	3pm	Wescol	3pm	
375	Nil	25/11	47pm	40pm	Wilson Bowden	40pm	
152	Nil	14/1	23pm	23pm	Wyevale Garden Centres	23pm	
215	Nil	8/12	45pm	31pm	Yale Cato	40pm	

pm Price at a premium. For other notes please refer to the Guide to the London Share Service.

TRADITIONAL OPTIONS

- First Dealings Nov. 8
- Last Dealings Nov. 19
- Last Declarations Feb. 10
- For settlement Feb. 21

3-month call rate indications are shown in Saturday editions.

Calls: Aitken Hume, Avesco, Betterware, Costain, Dares Ests. Pref., Denistron, Flextech, Kewill Systems, LIT Pref., NFC, NSM, Signet Pref., Wilshaw. Puts: Aitken Hume, NSM. Calls: Ramco, Wheesoe.

FT-SE ACTUARIES INDICES

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LIFFE EQUITY OPTIONS

[illegible]

FT-ACTUARIES FIXED INTEREST INDICES

[illegible]

COMPANY NEWS: UK AND IRELAND

Composite provides further evidence of insurance market recovery

Royal hits £113m at nine months

By Richard Lapper

ROYAL INSURANCE yesterday provided further evidence of the recovery in the insurance market when it reported pre-tax profits of £113m for the first nine months of 1993, compared with a loss of £83m during the same period of last year.

Earnings per share were 19.2p compared with 5.3p. After disposals profits amounted to £116m compared with £9m last time.

The strength of the investment markets has also helped restore the group's balance sheet.

Capital and reserves amounted to £2.15bn (£1.48bn) at September 30, and the solvency ratio – which measures net assets as a percentage of non-life premium income – amounted to 59 per cent.

The "significant recovery in results" reflected "the overall insurance environment" and the impact of moves to increase efficiency and improve skills, said Mr Richard Gamble, chief executive.

Much of the improvement was concentrated in the UK where premium income grew by 7 per cent to reach £1.23bn (£1.15bn).

Premium rate increases were especially strong in commercial lines business with average increases of 31 per cent for employers' liability, 22 per cent for product liability and 35 per cent for marine.

Despite indications of rate competition in the personal motor market, Royal said its own motor rates were 13 per cent higher than last year.

Premium growth was particularly impressive at The Insurance Service, the Bristol-based direct insurer, where premium income rose by 40 per cent. In the UK the group's operating ratio (claims and expenses as a percentage of premiums) in the UK fell to 99.8 per cent, compared with 118.4 per cent last year.

Higher weather losses were partially responsible for a deficit of £7m (profit £12m) in the US. But profits at Royal Canada and Royal Insurance Global, which handles the insurance accounts of international clients, increased.

However, some analysts are concerned about the pace of growth.

Mr Tom Bennett, analyst with Paribas Capital Markets, said UK results were "excellent" but said the group as a whole "is still in convalescent mode."

Worldwide general business premiums increased to £2.79bn (£2.54bn). Underwriting losses fell to £285m (£435m) while investment income rose to £388m (£345m). Income from associated undertakings rose to £20m (£17m).

Estate agency losses amounted to £7m (£11m) and losses from long-term insurance amounted to £8m (£12m).

Pre-tax profits at Royal Life fell to £37m (£38m). Loan interest at the level of the holding group amounted to £29m (£25m).

See Lex

Second cash call from Hemingway Properties to finance acquisition

By Maggie Urry

HEMINGWAY Properties, the lossmaking property group formed through a reverse takeover of Marylebone Estates in August 1991, is making its second cash call in six months. It also forecast it would pay a dividend in 1995.

It is raising £32.3m net of expenses through a placing and open offer of shares and convertible bonds to finance a £35m purchase of eight properties.

The deal follows a £21.9m placing and £30.2m acquisition which was announced in June.

The deal would increase basic net asset value from 26p to 28.2p a share or from 27p to 29.4p on a fully diluted basis.

Hemingway is to issue 66.2m shares at 31.5p, with shareholders able to buy one for every two held, or 10 for every £6.40 nominal of stock held. It will also sell £10.6m of new convertible stock, which will merge with an existing convertible, at a 17 per cent premium to par.

Shareholders can buy £2 nominal of stock for every 25 shares held or £1 nominal for every £4 nominal of stock held. The conversion price on the new stock is 37.4p a share.

After the issue, the group's debt would be £51m compared with shareholders' funds of £45m.

However, if the £22.6m convertible stock is counted as equity, gearing falls to less than 50 per cent. Hemingway said this "relatively modest level of gearing" would allow it to make further acquisitions funded by debt.

Annual rental income from the properties being bought, which includes five industrial estates, two offices and a shopping centre, is £3.5m. It is expected to grow to £4.2m in five years.

After financing costs and expenses, Hemingway expects the properties to contribute £2.2m a year before tax.

The vendors of the properties are a group of private property investment companies representing institutional investors.

Hemingway is planning a capital reduction next year to wipe out an accumulated deficit on profit and loss reserves. It is expected the deficit will be worsened by the 1993 results.

However thereafter the company is expected to make a profit in 1994 and plans to pay a dividend in 1995 of 0.4p in respect of the 1994 financial year.

Greycoat proposals sent

By Richard Gourlay

GREYCOAT, the property company that last week recommended a rescue refinancing led by the UK Active Value Fund, yesterday posted share and bond holders a document outlining the proposal.

The document included valuations for the three main Greycoat properties, Embankment Place, Britannic House and 123 Buckingham Palace Road, that show slightly higher yields than might be expected for investment quality properties.

Unlike with the Postel proposal which was rejected by investors in October, the new deal spells out the individual property values.

Britannic House is valued at £128.5m, up from £118.5m in March or £105.5m as it was valued on a forced sale basis in July.

This corresponds to a 7.5 per cent yield, only slightly higher than market rates for investment grade properties.

Embankment House is valued at £184.25m, up from £174m in March, representing a 8.2 per cent yield as the lease is still being ironed out.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Appleby W'tward§ ......int	3.2	Jan 4	3.2	-	9
Bank of Ireland§ ......int	3.75	Dec 22	3.13	-	9.83
Burton Group ......fin	1	Feb 25	1	2	2
Business Post ......int	1.2	-	-	-	-
Channel Holdings ......int	0.5	Jan 4	-	-	1‡‡
Drayton English ......int	0.4	Dec 21	0.6	-	1.2
Gen Consolidated ......int	3‡	Dec 31	3.36	-	9.37
Molyneux Ests § ......fin	1	Dec 17	nil	1	nil
Nthumbrian Water ......int	8.1	Apr 6	7.5	-	22.5
Oxford Insts ......int	1.5	Mar 25	1.4	-	4.5
Penna § ......int	1	Jan 13	3	-	10
Staveley Inds ......int	2.3	Jan 4	2.3	-	8.5
VSEL ......int	10.5	Jan 18	9	-	29
Waddington (J) ......int	3.8	Jan 6	3.6	-	7.9
Warner Howard ......int	2.27	Jan 10	2.12	-	6.5
Wilshaw ......int	0.2	Jan 31	0.15	-	0.5

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock. ¶Irish pence. ‡Making 6.9p so far. ‡‡For 15 months.

Maddox in loss and chairman resigns

By Paul Taylor

MR HUGO BIERMANN, the entrepreneurial chairman of Maddox Group, resigned yesterday as the troubled computer maintenance company announced an £18.9m interim loss and a financial restructuring package, including a rights issue.

The 7-for-8 rights issue, consisting of 390m 1p shares at par, is underwritten by Williams de Broe and aims to raise £3.6m net, which will be used to repay creditors. The shares closed 1¼p lower at 1¾p yesterday. Like other aspects of the package, the rights will be subject to shareholders approval at an extraordinary meeting on December 4.

Under the restructuring proposals, worked out over the last four months by the new management team, the company will then be renamed Wakebourne – after its remaining profitable personal computer maintenance and support company.

Mr Biermann, who has also resigned as a director, said yesterday that he thought it would be "good for the group to have a lower profile" without him and said he was "in a sense relieved" that he was stepping down.

However, he said he intended to maintain his 13.6 per cent equity stake in the group, held with his partner, Mr Nicholas Toms, and was still considering whether to take up the rights issue.

Mr Biermann, renowned as a shrewd South African deal maker, rose to fame in the UK after building up the Thomson T-Line mini-conglomerate with Mr Toms, before selling it to Ladbroke Group for £186m in 1989.

Early last year the two men created Maddox by reversing two cable distributors, Cables & Flexibles and US-based Seacoast Electric, into the quoted Pathfinders Group which was subsequently renamed.

However, the performance of both Cables and Flexibles and Seacoast proved disappointing and they were both sold to a US group called Lantek Electronics earlier this year for £15.1m in Lantek paper.

Yesterday, the Maddox' board said it had decided to provide against the whole £15.1m book value of the Lantek paper, although it acknowledged that the group might eventually receive some cash proceeds as the result of the recently announced merger of Lantek and VTX Electronics, a US stock exchange quoted company.

The £18.9m pre-tax loss for the six months to June 30 was mainly as a result of the provision, and compared with a £325,000 profit last time. Turnover rose to £12m (£9.55m) and losses per share were 4.3p (0.21p earnings). Despite the group loss, Wakebourne made pre-tax profits of £1.3m.

Overseas activities give boost to Bank of Ireland

By John Gapper, Banking Editor

BANK OF IRELAND yesterday disclosed doubled pre-tax profits for the half year, helped by a sharp improvement in retail banking operations in the US and Britain.

The profits rise for the six months to end-September was from I£65.8m to I£130.9m (£124.5m). Earnings per share of 15.2p compared with 6.6p. Results from businesses outside Ireland were I£40m ahead of the corresponding period last year.

The figures were also helped by a 32 per cent fall in loan loss provisions to I£43.1m (I£63.8m). However, provisions within its corporate banking operations in Ireland rose to I£10m (I£3m) as a result of two large losses.

Profits for the retail banking business in Ireland rose to I£50.7m (I£66.7m), while British operations returned to a profit of I£1m (I£5.7m deficit) and an I£3.5m loss (I£27.3m loss) for its New Hampshire businesses.

The bank reported a return to a profit of $6.1m (£4.03m) for New Hampshire in the third quarter, to appear in its second half results. It has disposed of non-performing assets, reducing them to I£28m against I£84m at the end of 1992.

Mr Maurice Keane, deputy chief executive, said that retail banking in Ireland had performed well despite "not very strong loan demand" from retail customers. He said cost-cutting in Britain had produced a "leaner, fitter" business.

Mr Keane said problems with non-performing loans in New Hampshire had largely been solved. The cut in non-performing assets had been accompanied by a growth in provisions cover to the level of 250 per cent of the remaining assets.

The bank's tier 1 ratio of core capital to risk-weighted assets strengthened to 7.3 per cent (6.6 per cent at the end of 1992) following the bank's I£100m rights issue earlier this year largely used to repurchase preference stock.

The interim dividend was increased to 3.75p (3.13p).

● COMMENT

Bank of Ireland's strong share performance this year is justified by its brisk correction of past problems overseas, and strict control of domestic business. A cut in provisions despite a hic-cup in large corporate lending shows the benefits of this discipline. Full year pre-tax profits of I£260m would give earnings per share of 30p, a multiple of about 10. This is not a dangerous price for a well-managed business, but the lack of loan demand afflicting all banks means there are questions over future growth.

Lloyd's trusts approach limit of capacity

By Richard Lapper

TWO MORE Lloyd's investment trusts were launched yesterday amid further indications that the limit of institutional investor interest in the new Lloyd's schemes is being reached.

Angerstein Underwriting Trust, an investment trust sponsored by NatWest Markets and Stace Barr, the Lloyd's agency, announced that it aimed to raise £75m through a placement and offer for subscription, while a smaller vehicle, Corporate Membership, also issued its prospectus.

Corporate Membership, formed by individual members of Lloyd's and sponsored by Peel, Hunt, the stockbrokers, is seeking to raise £20m through an offer for subscription.

However, SG Warburg and Chartwell, which planned to raise between £100m and £150m for New London Capital, are understood to be planning to scale back their fund to between £75m and £85m.

At Angerstein, Mr Charles Phillips, of NatWest Markets, said £87.5m had been placed with institutions, although it was aiming to raise £23m from retail investors.

Angerstein will provide £111m of capacity on syndicates recommended by Stace Barr, its independent Lloyd's adviser. Corporate Membership said it had secured in excess of £16m of secured capacity from syndicates and had identified a further £15m of syndicate capacity.

IN BRIEF

AMINEX has agreed to acquire from a subsidiary of Villiers oil and gas producing properties in the Somerset field, San Antonio, Texas, for £980,000.

BRITANNIA GROUP has received £1m from Westbury Group as deposit on an option under which Westbury has the right to acquire all or part of Britannia's site at Green Farm, Quedgeley, Gloucester. The transaction was arranged via subsidiaries of both companies. Britannia has also finalised the purchase from Westbury of 93 housing plots with planning permission situated on three sites at Gloucester, Hereford and Ledbury for £1m.

CLAYFORM HOLDINGS has changed its name to Development Securities Property Investments.

LLOYDS CHEMISTS has acquired Dobbin & Stewart, a Belfast-based pharmaceutical wholesaler, for £800,000 in cash.

Increased confidence about the outcome of the Trident programme

VSEL improves 11% to £29m

By Andrew Bolger

VSEL, the Cumbrian-based builder of Trident submarines, reported a steady increase in profitability but said it would be several months before it knew whether the current review of UK defence expenditure would require changes to the group's strategic plan.

For the six months to September 30 the company's pre-tax profits increased by 11 per cent to £28.8m, although sales were flat at £233m (£234m).

Lord Chalfont, chairman, said he expected results in the *second half to be at least at the* level achieved in the first half and he remained encouraged by the prospects for 1994-95.

He said the successful completion of HMS Vanguard, the first Trident submarine which was accepted into service with the Royal Navy in September, had increased confidence in the outcome of the Trident programme as a whole.

"The second boat in the class, HMS Victorious, was launched on September 29. These achievements are reflected in the results for the half year. Work on the two remaining Trident submarines is progressing satisfactorily and in line with programme."


HMS Vanguard: accepted into service with the Royal Navy

The last Upholder Class submarine to be built at Cammell Laird was handed over to the Navy in July and Birkenhead Yard was closed as planned, ending a long history of shipbuilding on the Mersey. Discussions with a prospective purchaser of the shipbuilding areas of the yard were continuing.

Satisfactory progress was being made at Barrow and at Kvaerner Govan on the Clyde on the contract for a helicopter carrier, which VSEL won with a bid of £139.5m in a competition with Swan Hunter, the Tyneside yard which then called in the receiver. VSEL said it had made appropriate provisions to cover possible design and management risks on this type of contract.

Mr Noel Davies, chief executive, said VSEL had offered to take over the management of building three Type 23 Navy frigates at Swan Hunter, although it would be necessary to reach manning agreements with the trade unions.

A tender had been submitted, in collaboration with Hunting Engineering, for work on the Common New Generation Frigate project – a joint British, French and Italian programme to develop a new European warship.

Further tender submissions are expected to be made, including a bid to be prime contractor of the Batch 2 Trafalgar submarines and for replacement assault ships.

Earnings rose to 49.3p (44p) and the interim dividend is being lifted from 9p to 10.5p.

● COMMENT

VSEL's shares have had a good run this year, helped by the group's knocking of its competitor Swan Hunter out of the ring. The group never concealed that its bid for the helicopter carrier was a loss-leader to get it back into building surface ships. Mr Davies believes most of VSEL's products will survive the defence review, although the scale and timing of orders may be affected. Meantime, the group has accumulated £270m of cash and seems philosophical about the possibility that it may be taken over in the ongoing shrinking of the UK defence industry. The shares trade on a undemanding prospective multiple of about 8. They are underpinned at that level by a premium yield and the strong cash position, but are unlikely to move ahead until the Chancellor makes clear his intentions towards the defence budget.

Interest costs cut Staveley to £7.5m

By Catherine Milton

LOWER interest rates on UK deposits reduced pre-tax profits at Staveley Industries, the measuring and mechanical engineering company which also owns British Salt. They fell from £9.1m to £7.5m in the six months to October 2.

However, the board declared a maintained interim dividend of 2.3p out of earnings per share of 4.9p (6p) and said the payment reflected its satisfactory financial position.

"While it is still early to predict the year as a whole, growth will be hard to obtain although the longer term is positive," Mr Brian Kent, chairman, said.

The interest charge increased from £100,000 to £700,000, reflecting the lower income on deposits as well as higher net borrowings of £25.4m (£20.9m). Gearing at the period end was 29.4 per cent, against 26 per cent a year earlier and 22.8 per cent at the year-end.

Turnover rose to £166m (£155.8m). The company said sales in continental Europe were particularly buoyant, because of the strong order position at the beginning of the year.

Operating profits fell 12 per cent to £8.2m (£9.2m) as the company absorbed charges of £1m associated with cost-cutting within the mechanical and electrical services and weighing and systems groups. Trading remained difficult.

Operating margins fell to 4.9 per cent (5.9 per cent).

Minerals contributed £6.4m (£5.7m) to operating profits on sales of £17.1m (£15.7m), with British Salt enjoying steady volumes. Measurement gave a reduced £1.2m (£2.9m) on sales of £77.7m (£67.1m) as some continental European and North American businesses suffered reduced orders.

Operating profits at mechanical and engineering services fell to £500,000 (£1m), hit by cost cutting, on sales of £68.7m (£70.2m). Staveley said order intake showed a "favourable swing", with contracting down 8 per cent but maintenance up 19 per cent.

Sherwood shares fall 41% on further profit warning

By Alan Cane

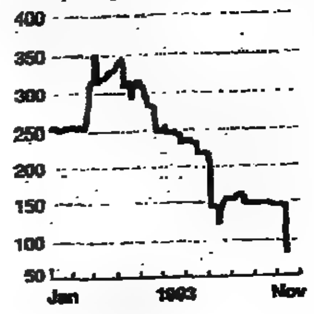
SHERWOOD Computer Services shares lost 41 per cent of their value yesterday, closing down 60p at 85p after the company's second profits warning in four months.

The USM-quoted financial software company said that market expectations of pre-tax profits of between £1.5m and £2.1m would not be met. At the same time, it said that Mr Charles Taylor, finance director, was resigning to take up a similar position with another, unspecified, computing services company.

Mr George Matthews, chief executive, said there was no connection between the profits warning and Mr Taylor's resignation.

He said there were three reasons for the company's failure to maintain its predicted trading improvement. The local government market was proving difficult and action had already been taken to reduce costs.

Sherwood Computer Services



Source: FT Graphite

The life and pensions business was generally good, but a large customer's decision to continue using Sherwood's bureau service rather than moving to Sherwood's packaged software had cost the company some £500,000 in licence fees.

Finally, there were continued problems in the Lloyd's insurance market. The company has about 180 people working in that area and jobs would be lost as it reduced costs, Mr Matthews said. He was not prepared to indicate how many redundancies would be involved.

Last year Sherwood made pre-tax profits of £3m on revenues of £20m, but profits fell to £541,000 at the half-way stage after difficulties in the Lloyd's market forced a profits warning in August.

Mr Matthews said the life and pensions business would continue to show good growth, but he saw little improvement in either the local government or Lloyd's market in the year ahead.

Rental side behind advance to £3.22m at Warner Howard

By Catherine Milton

STRENGTH in rentals helped Warner Howard, the hot air hand dryer and laundry equipment company, improve interim pre-tax profits from £3.01m to £3.22m in spite of a fall in turnover from £11.2m to £10.7m for the half year to August 31.

The board declared an interim dividend of 2.27p (2.12p) out of earnings per share of 9.11p (8.59p).

"In our rental business, which contributes about 85 per cent, volume held up. We have had a higher incidence of cancellations than we previously had. In the main it is straightforward company failures", said Mr Harvey Adams, the finance director.

The company said it had held prices although contracts renewed on existing equipment would normally be at reduced rates.

Warner has more than 35 per cent of the market for rented hand dryers but dominates the market for rented commercial laundry equipment with roughly a 75 per cent share and has a small commercial catering equipment rentals business.

Mr Adams said rentals were generally more popular in recession: "We are not a recovery stock because our revenue flow tends to be quite stable."

Warner diversified its business in June with the acquisition of Gerrard Gamble Group, the commercial kitchen equipment suppliers.

"Not only has this given us an immediate source of rental income which is welcome, but it has also taken the company into the relatively untapped market of renting commercial kitchen equipment," said Mr Ronald Hooker, the chairman.

Warner does not disclose balance sheet figures at the half way stage but said it had no gearing and cash flow was positive. It would consider any further acquisition opportunities.

Birmingham Midshires acquires £18m mortgages

Birmingham Midshires, the UK's 13th largest building society, has acquired £17.8m of housing association mortgages from the Bank of Wales for an undisclosed amount, writes Alison Smith.

The portfolio comprises loans to 14 registered housing associations in Wales and one in Bristol.

This is the society's first acquisition of this type of loan book, though it already has experience of lending to associations.

Over the past 18 months, buying residential mortgage books from other sources, including Sumitomo Bank and the United Bank of Kuwait, has already taken the society's assets to more than £4bn. In the past five years it has bought mortgage books totalling just over £300m.

The society sees acquisition as a faster route to increasing asset size than organic growth, and as an alternative to merger – although it does not rule out combining with the right partner.

Oxford Instruments improves 19% to £5.1m as orders show recovery

By Paul Taylor

OXFORD INSTRUMENTS, the advanced instrumentation group, reported a 19 per cent increase in interim pre-tax profits yesterday and said the rate of new orders was showing "strong signs of recovery".

Pre-tax profits grew from £4.26m to £5.07m in the six months to September 26. Earnings per share increased by 12 per cent to 6.6p (5.9p) and the interim dividend is being increased by 7 per cent to 1.5p (1.4p). The shares closed up 8p at 296p.

The profit improvement was underpinned by an 8 per cent increase in turnover. This grew to £48.6m (£45.1m) buoyed by new orders, which Mr Peter Williams, chairman and chief executive, said were up 10 per cent from the start of the year.

With 85 per cent of sales outside the UK, Mr Martin Lamaison, finance director, said the group mainly used sterling's devaluation to improve its competitiveness and boost sales volumes rather than to enhance margins.

Operating profits jumped to £1.9m (£797,000) more than offsetting a decline in interest income to £359,000 (£500,000), mainly reflecting the group's lower mid-year cash balances of £2.6m, down from £6.7m at the start of the year.

The £4.1m decline in cash balances represented an increase in working capital, reflecting the stronger order book and progress with long-term contracts and the group's second $25m (£16.5m) synchrotron machine.

Despite earlier concerns over the impact of uncertainties in the US healthcare market, Mr Williams said sales and profits from its magnetic resonance imaging (MRI) joint venture with Siemens held up well. Oxford's share of income from the joint venture slipped slightly to £2.81m (£2.96m).

£8.9m provision for Amtec and dividend lower than expected

Northumbrian Water dips 42%

By Peggy Hollinger

NORTHUMBRIAN Water, the smallest of the privatised water companies, has paid the price of unsuccessful diversification with a 42 per cent drop in interim profits and a lower than expected dividend.

Sir Frederick Holliday, the chairman, announced pre-tax profits of £22.6m for the six months to September 30, while sales were 20 per cent ahead at £148.2m. The shares, which had fallen from 690p last week on rumours of heavy provisions, closed 9p down at 658p.

The sharp profits fall was largely due to an £8.9m provision for Amtec, the underground pipe maintenance business which was one of Northumbrian's earliest diversifications post-privatisation. Amtec, purchased for a total of £5.8m, incurred a further £2.2m in operating losses.

Northumbrian's failure on Amtec follows a £25m provision at Thames Water last month and is likely to fuel further the debate over diversification. "It will reinforce investor nervousness about the quality of the unregulated earnings in the water industry," says Mr Robert Miller-Bakewell of NatWest Securities.

Mr Michael Taylor, finance director, admitted Northumbrian had made mistakes with Amtec. "We did not successfully integrate the businesses we bought," he said. A lack of experience had also left Northumbrian ill-equipped to deal with competition in a declining market, he said.

Profits were also depressed by an £8m fall in investment income to £600,000. The group expected this to recover by at least £7m in the second half because of bond investments.

Mr Taylor said the company had achieved a "very strong performance" from the core water and sewage businesses. Operating costs had been cut by about £3m to £72m, with pre-tax profits up from £30.8m to £39.2m. The non-regulated businesses, including Amtec, returned a £400,000 loss against profits of £3.4m last time.

The dividend was increased by 8 per cent to 8.1p (7.5p) and Northumbrian expected to pay a final of 16.2p. Earnings per share fell from 56.7p to 30.3p.

Tony Andrews
Sir Frederick Holliday, chairman (left) and David Cranston, chief executive: Amtec failure likely to fuel debate over diversification

COMMENT

Although the provisions include goodwill adjustments of £6m, the losses and remaining charges are proportionately as significant for Northumbrian as those unveiled recently by Thames. Add to that questions over the unreliability of earnings from its investments and Northumbrian does not seem to have come far since privatisation. The regulated business, like others in the sector, appears solid. This will help it achieve forecast profits of £63m after exceptionals, against £69m last year. On a prospective p/e of 7.2, it would appear the jury is still out.

Business Post margins decline

By Andrew Bolger

SHARES IN Business Post Group, the parcel and express mail company which came to the market in June, fell sharply yesterday after its first results showed a drop in profit margins.

Shares in Business Post were placed with institutions at 120p, valuing the group at £60m, but they yesterday shed 22p to 113p.

Pre-tax profits increased by 15 per cent to £2.2m in the six months to September 30, while sales rose by 22 per cent to £19.1m. Gross profit margins fell in the first half from 14.3 to 11.7 per cent.

Mr Torquil Montague-Johnstone, finance director, said the group had succeeded in broadening its customer base by attracting larger customers, but this work yielded lower profit margins. However, he hoped the group would be able to maintain profit margins at their existing levels through managing the business mix.

Mr Peter Kane, chairman, said: "The flotation is enabling the group to widen its customer base, attracting larger customers whilst increasing the level of traditional business and thereby improving the overall quality of the group's earnings."

Despite the slower than expected recovery from recession, the number of consignments by Business Post Ltd had increased by 35 per cent. The two smaller subsidiaries, UK Mail and Business Post International, had increased the number of consignments handed by 86 per cent and 71 per cent respectively.

Mr Kane said the group was now in a strong financial position to extend its regional hub network. New hubs were being built in Manchester, Bristol and Leeds and all would start operating in the new year.

He said: "These developments will greatly enhance capacity and operational efficiency and are expected to generate incremental profits." Mr Kane said the second half had started well: "October and November are typically two of the best trading months and October revenues were comfortably ahead of last year, with Business Post Ltd achieving record consignment volumes in recent weeks."

Earnings per share rose to 3.3p (3.2p) and the interim dividend was 1.2p, compared with a notional 0.97p before.

Three 'interested' in Body Shop Singapore franchise

By Maggie Urry

INCHCAPE, Littlewoods and Jusco were all interested in buying the franchise of Body Shop International's Singapore business and head franchises in a number of other Asian countries, Ms Anne Downer, the former head franchisee, claims in the writ she issued against Body Shop.

Ms Downer claims Body Shop turned down the three companies as potential purchasers. Body Shop said it could not comment on the three companies, but said it disputed all Ms Downer's claims. It is thought Body Shop did not receive formal offers from the three, which were dealing with Ms Downer. The writ was issued in response to Body Shop's closure of the 11 shops in Singapore.

Ms Downer's franchise to operate the Singapore business originally expired in October 1991. After some negotiation she agreed with Body Shop to continue with the franchise until October 29 1993, while trying to sell the business.

Any buyer would have to be acceptable to Body Shop. Body Shop said yesterday it had adhered to this agreement at all times.

Ms Downer appointed Schroders Asia to handle the sale and it approached a number of possible buyers with an information memorandum. She claimed the three companies had indicated a strong interest in buying the business, but that Body Shop rejected them.

Inchcape has international marketing activities, handling the import, distribution and marketing of a number of leading brands in East Asia and occasionally operates retail outlets. Littlewoods is a large chain store operator in the UK. Jusco is an important Japanese retailer, which operates the Body Shop business in Japan.

When she had not sold the business by the expiry date, Body Shop was awarded an interim injunction against Ms Downer in Singapore. However, Ms Downer is claiming she was entitled to a further eight week extension of the franchise.

The Singapore business accounts for less than 1 per cent of Body Shop's worldwide retail sales. The businesses in other territories where Ms Downer was the head franchisee – Brunei, Indonesia, Malaysia, the Philippines, Thailand and Taiwan – are being operated by sub-franchisees.

Waddington advances 16% to £9m

By Peter Pearse

PROFIT RISES in its packaging and games divisions offset a fall in the printing side at John Waddington and led to a 16 per cent pre-tax increase from £7.76m to £9.01m in the 26 weeks to October 2.

Although the advance was broadly in line with expectations, the shares slipped 12p to 245p, affected by the mixed nature of the results.

In the packaging division, overall operating profits rose to £8.1m (£5.68m) on turnover up at £74.9m (£61.7m). Within the plastic packaging side, the US food services business performed well, lifting operating profits by £1m to £2.7m on turnover up at £23.5m (£13m). Carthage Cup Company, bought in May for $5.4m (£3.67m), chipped in profits of £400,000 on sales of £4.6m.

Mr Geoff Gibson, finance director, said Carthage added a more downmarket range to the existing portfolio. There had been a 25 per cent increase in volumes in the US to meet demand, but the price had been a certain lack of efficiency.

On the food and drinks side, profits slipped to £1.4m (£1.5m) on turnover of £22.9m (£21.2m).

Within paper and board packaging, cartons raised profits 17 per cent to £2.1m (£1.8m) on turnover up at £16.3m (£15.2m). However, the labels business increased its losses to £800,000 (£300,000) on turnover flat at £6.8m. Mr Gibson said that although the lost Heinz contract had been replaced with new business, albeit at lower margins, there had been problems with self-adhesive labels.

Mr Martin Buckley, group chief executive, said he was "disappointed" with the specialist printing division, where profits shrank to £1.52m (£2.38m) on sales of £25m (£23.6m). The decommissioning of a press at Chorleys, the confidential printer, had led to a one-off dent in profits, though higher margin work has been possible since. The recession on the Continent had hit the continuous stationery side.

The cash-generating games division lifted profits to £2.2m (£2m) on turnover down £500,000 at £11.9m. "Essentially a marketing business", according to Mr Buckley, it is now moving into the toys side with a distribution deal for radio-controlled toys.

About a third of Waddington's business is in the US where it is seeking acquisitions – "the multiples expected are more reasonable", said Mr Gibson.

Group turnover climbed to £118.2m (£108m) and operating profits to £9.83m (£9.48m). The interim dividend is raised to 3.8p (3.6p) payable from earnings of 8.13p (7p) per share.

Swithland listing in jeopardy as result of placing uncertain

By Paul Cheeseright, Midlands Correspondent

THE ATTEMPT to place shares in Swithland Group, the Midlands motor retailer, ends this morning against a background of City predictions that not enough shares will be sold to allow its plans for a listing to go ahead.

Swithland's placing was planned in two stages: first the sale of 12.34m new shares to raise £10m gross and 370,370 shares owned by Mr John Hayes, the founder and chief executive; and, second, the sale of 5.79m shares owned by NatWest Ventures, Swithland's venture capital backer, and the Hayes family. The price of the shares was 81p each.

The placing, sponsored by Ionian Corporate Finance, was not underwritten and the issue prospectus stated that if Harris Allday Lea & Brooks, the brokers, could not sell all the 12.7m shares of the first stage, the placing and plans for admission to the Stock Exchange would be abandoned.

City concern about Swithland appears to have increased following reports of its brushes with the Office of Fair Trading on questions of consumer credit regulation.

Swithland, itself, acknowledged in its prospectus two legal disputes with APS Realisations and Dixon Moutrie Silkstone, which are advertising agencies, the first being in administrative receivership.

In both cases the agencies are claiming that Swithland has not paid its fees. In both cases Swithland is making counter-claims.

The placing was designed to provide funds for expansion and to provide an exit, or partial exit, for NatWest Ventures. In what looks now as the unlikely event of a successful placing, the Hayes family stake in Swithland will be reduced to less than 30 per cent.

Pilot to raise £15m via placing

By Reg Vaughan

PILOT Investment Trust, specialist investor in smaller companies, yesterday reported a 25 per cent increase in net asset value per ordinary share in the period from its launch date on March 5 to September 30 and announced plans to raise £15m net via a placing of C shares at 100p each.

The net asset value increased from 96.8p to 121.1p and at October 29 had risen further to 125.5p. Profit before tax to September 30 was £388,000 and earnings per share 1.2p. The directors declared an interim dividend of 0.5p. This is considered a base level from which it hopes to pay a progressively rising dividend.

The company proposes to raise the £15m by way of a conditional placing of 12.3m C shares and an offer of up to 3.07m C shares.

Sir Peter Michael, chairman, said yesterday that the company was interested in the smaller companies in the UK index which had been "unloved for some years". He said Pilot targeted companies with young dynamic management teams which had trimmed the companies down and were ready to grow.

The directors believe that there are many attractive investment opportunities in Pilot's target sector of quoted companies with a market value of up to £30m. There are about 1,000 of them with a combined value of £10bn.

Manager of the portfolio, Rutherford Asset Management, has undertaken a rearrangement of the initial stocks accepted at the launch. The £25m raised at the launch has been fully invested for some time and the company now has borrowings of about £1m. Of the net cash available after the launch costs more than 50 per cent was invested in capital raising situations.

IMC enters battle for control of ICD

By Nigel Clark

THE BATTLE for control of International Communication & Data, the marketing services company, took a new twist yesterday when IMC Industries announced it was raising £994,000, part of which may be used to take up an option on ICD shares.

The move could give IMC, the USM-quoted soft drinks and leisure group, a stake of up to 11 per cent which would be used to support three of the present ICD board members, including Mr David Cicurel, the chairman, retaining their positions.

Mr Cicurel, who is also chairman of IMC, said the decision to take up the option depended on a number of other factors being in place. He declined to say what these were saying that he did not want to give away too much information to the opposition.

PSB Group, a direct marketing company in which Mr Stephen Morris has an interest, is attempting to replace the three directors with its nominees giving it control of the board. PSB claims to control 23.6 per cent of voting rights in ICD.

The option was granted on 6.95m shares at 7p in lieu of a fee for the services of Mr Cicurel as non-executive chairman. Since his appointment a reorganisation of ICD has been undertaken. ICD's shares closed at 11p, down ½p.

IMC is raising the cash through a placing of 11.3m shares at 3¼p with Mercury Asset Management, giving it a holding of 4.3 per cent, and a 1-for-10 rights issue at the same price. IMC shares closed unchanged at 3¾p.

Mr Cicurel said he was expecting a bitter battle but was in bullish mood. "We have done very well since I came in for the shareholders. The other side it trying to get control of the company on the cheap."

Penna losses at £118,000

PENNA, the USM-quoted holding company for the Sanders & Sidney outplacement consultancy, yesterday announced pre-tax losses of £118,000 for the half year to September 30 against profits of £1.03m.

In September, when the company issued a statement warning of an interim loss, the shares fell by 35p to 130p. Yesterday they closed unchanged at 127p.

Mr John Beard, chief executive, said the outplacement market was less active than last year and the group's focus had been to cut overheads and introduce new levels of service in response to the highly competitive environment and client requirements.

He added that the directors would continue to review appropriate opportunities for expansion or diversification into related business sectors.

Turnover fell to £3.89m (£5.42m). Losses per share came through at 2p (13.9p earnings) and the interim dividend is cut to 1p (3p).

Acquisition costs hit Molyneux

ACCELERATED interest payments resulting from an acquisition left Molyneux Estates, the USM-quoted property investor, with a pre-tax loss of £2.53m for the year to June 23, against £1.1m.

As part of buying out its partner in the Overgate Centre, Dundee, the company repaid £1.47m of interest early. The accounts reflect the consolidation of Overgate, with the comparatives being restated, but not the completion of the acquisition.

Turnover for the period was £3.96m (£3.6m) reflecting the continued increase in income receivable. Losses per share were 11.24p (3.07p).

The company said that with the increase in the capital base following the placing and open offer to fund the acquisition combined with a fall in interest charges and increased rents receivable it saw the future with confidence.

In view of the present profitability a final of 1p is recommended, the first dividend since 0.5p was paid in 1991.

Appleby Westward drops 28%

SHARES IN Appleby Westward Group dived 20p to 178p after the USM-quoted grocery distributor reported a 28 per cent decline in pre-tax profits to £730,000 for the 28 weeks to September 11.

Sales for the period were down 8 per cent to £38.2m, while earnings per share fell to 8.5p (11.9p). However, an unchanged interim dividend of 3.2p is declared.

Mr Roger Harvey, the chairman, explained that the shortfall partly reflected the planned reduction in gross margin necessary to help the company's retailers. Additional costs were also incurred in reducing the workforce and re-aligning the productivity payment scheme to its warehouse and transport staff.

Following an agreement with Watson & Philip, its distribution network now covers Wiltshire, Dorset, Hampshire and the Isle of Wight. Although the initial transition had gone smoothly, Mr Harvey said commission payments to Watson would affect profits, especially in the first two years of the six-year agreement.

Channel Holdings at £808,000

CHANNEL Holdings achieved pre-tax profits of £808,000 for the six months to September 30. That compared with £191,000 for the half year to December 31 1992, while for the 15 months to March 31 1993 there were profits of £308,000.

The results include a full contribution from Carflow Products (UK) a supplier of mechanical vehicle security products, and a maiden contribution from CQR Security Products, a manufacturer of components for intruder alarms.

The acquisitions added £5.94m to total turnover of £7.66m (£1.03m) and £511,000 to operating profits of £805,000 (£182,000).

The directors said both companies performed well, achieving "good growth in the UK and export markets." They expected cash generation to remain strong for the rest of the financial year.

Earnings per share worked through at 1.7p (1p) adjusted and a maiden interim dividend of 0.5p is being paid – 1p was paid for the preceding 15 months.

Ruberoid flotation price fixed at 150p

By Catherine Milton

A PRICE of 150p a share was fixed yesterday for the flotation of Ruberoid, valuing the roofing subsidiary Tarmac is spinning off to the market at about £72m.

Roughly 60 per cent of Ruberoid's turnover is in commercial contracting, of which about 70 per cent is refurbishment. The balance of its sales come from manufacturing and distributing a range of bituminous waterproofing systems.

The issue will raise £68.8m for existing shareholders, principally subsidiaries of Tarmac, and £2m for the company.

More than 30m shares, 65 per cent of the issue, are being placed firm with institutions. The balance, 16.5m shares, is being placed subject to clawback under the public offer for sale.

On forecast pro forma pretax profits of £7m for the year to end-December, the issue price gives a pro forma p/e of 14.3 times.

The total dividend of 5.4p the directors would have recommended for the year to December 1993 if the company had been independent would have given a gross yield of 4.5 per cent.

The offer closes on November 18 and dealings are expected to start on November 25.

COMMENT

Contracting is a low margin business carrying some risks. In the UK Ruberoid's main market, new construction, is limited by the glut of commercial property. The company's reliance on refurbishment is therefore a comfort. Also, Ruberoid has already taken full provisions against contracting losses and enjoys good shares in its markets. The risks and low growth profile are reflected in the company's cheap 14.3 times rating which compares with others in the mid-20s in the building materials sector. Coupled with its dividend yield the stock Tarmac failed to sell to a trade buyer should reach a reasonable premium in a high market.

NEWS DIGEST

Wilshaw up 68% to £1.4m

PROFITS of Wilshaw, the specialist metals and building products group, expanded from £809,000 to £1.36m pre-tax for the half year to end-September.

The 68 per cent improvement was scored on the back of an 18 per cent rise in turnover to £17.97m. Each division recorded organic growth and an improvement in profitability.

Earnings emerged at 1.05p (0.6p) and the interim dividend is being lifted to 0.2p (0.15p). Period-end gearing stood at 49.4 per cent against 57.8 per cent at the March year-end.

Drayton English net assets ahead

Drayton English and International Trust raised net asset value by 23 per cent to 93.1p at October 5, against 75.5p six months earlier.

Net available revenue for the six months period fell from £172,000 to £141,000 and earnings per share dropped to 0.3p (0.35p). Reflecting the decline in dividend income and the relatively subdued prospects for dividend growth over the next 12 months, the interim payment has been cut from 0.6p to 0.4p.

Reuters in £13m computer expansion

Reuters Holdings, the international news and information group, has paid £13.3m for Vamp Health, a supplier of computer facilities for UK doctors.

Vamp is a privately owned south London company serving about 2,000 general practices around the country. For the year to January 31 1993 it returned pre-tax profits of £1.75m on a turnover of £13m.

Canadian Pizza allocations

Of a total of 3.5m ordinary Canadian Pizza shares available under the company's offer for sale, 7,479 valid applications were made in respect of 6.29m shares, the offer being subscribed 1.8 times.

Valid priority applications for a total of 37,420 shares were received from eligible employees which have been satisfied in full.

The basis of allocation of the remainder is as follows:

For 200 shares applied for – 200 shares; for 400 shares – 400 shares; between 500 and 1,000 – 500; for 1,500 – 700; between 2,000 and 3,000 – 40 per cent of application; between 3,500 and 5,000 – 35 per cent; between 6,000 and 30,000 – 30 per cent; between 40,000 and 60,000 – 25 per cent; over 60,000 – 20 per cent.

Harmony Leisure placing and purchase

Harmony Leisure, the USM-quoted operator of restaurants, pubs and hotels, has agreed to acquire certain properties from British Land subsidiaries for an aggregate consideration of £5.35m.

Harmony is also proposing to raise £5.8m net by way of a placing of 66m shares at 9½p each underwritten by Guinness Mahon.

The group also proposes a change of name to Harmony Property Group.

An extraordinary meeting has been called for December 8.

Densitron denies expansion in Japan

Mr David Ling, finance director Densitron International, the electronic components manufacturer, said yesterday the company had "no specific" plans to expand into Japan.

Earlier, speculation that the company was planning to make a significant acquisition in the country had lifted the company's share price by 6p to 36p.

Mr Ling said he knew of no other reason for the rise in the share price.

Correction
Charles Sidney

Shares in Charles Sidney, the Yorkshire-based Mercedes-Benz commercial vehicle and passenger car dealer, closed at 110p on Wednesday, the first day of trading, not at 210p as reported in yesterday's paper.

Minister to lobby EC over Spanish abattoirs

By Deborah Hargreaves

MR NICHOLAS Soames, UK agriculture minister, said he will protest strongly to the EC Commission about conditions in Spanish abattoirs after the RSPCA released undercover videos of the grisly ways used to butcher livestock.

Mr Soames said he was "appalled" by the film of lambs being paralysed by having their spinal chords severed with a screwdriver. "It is completely unacceptable. It is in flagrant abuse of the European rules and regulations," he said.

New EC rules on abattoirs came into effect at the beginning of the year stating that all animals must be stunned before slaughter.

Mr Alastair Mews, assistant chief veterinary officer at the RSPCA, said the films show that, although paralysed, many animals killed in Spanish abattoirs are fully conscious when their throats are cut. "I'm a hardened vet, I've seen some ghastly things, but this is the worst ever," Mr Mews said. "It's nothing short of organised barbarity."

The RSPCA has visited six abattoirs in Spain with the same methods in use at all of them. "There are pigs which have not been stunned properly, they are coming round while their throats are being cut and screaming," said Mr Mews. The organisation plans to put its findings to the EC Commission in the hope it will tighten up enforcement of animal welfare rules in abattoirs across the EC.

Mr Mews said he believed Britain should withhold the export of live animals to Spain in protest at conditions in the abattoir industry. Around 2m live sheep are expected to be exported this year to Spain and France – about 20 per cent of the UK's total sheep-meat exports.

The RSPCA is urging farm ministers to introduce restrictions on the transport of live animals because of the appalling conditions in which they are kept. The organisation is pressing for journey times to be kept to eight hours.

Mr Mews said that animals bound for slaughter on the continent often travelled for up to 40 hours in inhumane conditions without food or water. He said Germany, Holland, Luxembourg and the Scandinavian countries had joined in enforcing maximum journey times and he wants the UK government to follow.

Talk of Opec cut revives oil

By Robert Corzine

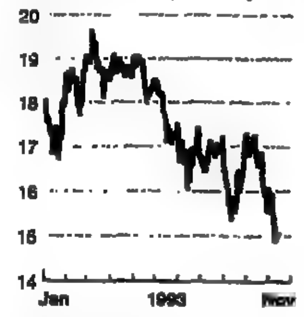
REPORTS that Saudi Arabia might consider cuts in the production ceiling set in late September by the Organisation of Petroleum Exporting Countries yesterday lifted oil prices after the benchmark Brent blend fell to new post-Gulf war lows.

The price of Brent blend for December rose to $15.65 in late London trading after earlier falling to $15.30. One London trader said the news agency report caused "the market to perceive that Opec might cut the ceiling," of 24.52m barrels a day. "People were hesitating to sell," he said. The report, however, did not say whether Saudi Arabia was prepared to cut its own 8m b/d quota.

The markets also strengthened as a result of the vote in the United Nations Security Council last night to impose new sanctions on Libya that could affect its ability to export oil. The ban includes new equipment, such as high capacity pumps and refinery machinery, as well as parts and spares for Libya's oil transport and export facilities. It is designed gradually to erode the country's export capacity, but the uncertainty over Libyan exports could help to underpin the oil prices temporarily, according to analysts.

Oil price

Brent crude spot ($ per barrel)



Source: Datastream

The quick reaction to the Saudi report highlighted the growing nervousness of the markets ahead of Opec's next ministerial meeting in Vienna on November 23. Yesterday Mr Rehda Malek, the Algerian prime minister, was quoted by a newspaper in the United Arab Emirates as saying that oil producers "should show greater restraint" in order to boost prices.

On Monday, Opec's Economic Commission meets to discuss its forecast for short-term demand. It will prepare a report for Opec ministers which is expected to show a continuing decline in demand for Opec oil. "What we have here is a combination of seasonal factors, ... weak world demand and stepped-up non-Opec production," an Opec official said yesterday.

LME cuts ring-dealing charge

By Kenneth Gooding

THE LONDON Metal Exchange is to cut contract levy charges to be paid by ring-dealers next year by nearly 60 per cent – from 12p to 5p per "lot". Its action is in response to complaints from some ring-dealing members that they are not getting a fair deal.

The exchange is experiencing record business and it further demonstrated its financial strength yesterday by deciding to return £2m of the levies raised this year to all clearing members. It paid a £1.5m levy rebate for 1992.

The LME board has been wrestling for some time with the problem of how to handle complaints from some of its 16 ring-dealing members that they were carrying a greater share of the burden of running the exchange and facing more risks than non-ring-dealing members but not getting commensurate returns.

Now, as a first move, the board has decided that next year the ring-dealers will pay lower contract levies – those for other LME members remain at 12p a "lot".

For four years the LME's business in tonnage terms has risen at an annual average of 30 per cent. By the end of October this year it was 45 per cent ahead of the same months in 1992. Turnover is expected to reach US$1bn compared with $700m last year. The LME reported pre-tax profit just above £1m for 1992 compared with £1.4m a year earlier.

Demand for silver outstrips supply

By Kenneth Gooding, Mining Correspondent

DEMAND FOR physical silver has soared in the past week so that vaults in London cannot keep pace and there is a 14-day delay in processing deliveries.

Much of the metal is on its way to India or Saudi Arabia. According to Mr Ted Arnold, analyst at the Merrill Lynch financial services group, Saudi buying surged recently because of fears that the local currency, the riyal, might be devalued. "Silver is seen as a cheap hedge against devaluation," he pointed out.

"And the Indians are almost gobbling silver up now that their domestic prices have fallen sharply," he added. The Indian government's recent decision to ease some of the import restrictions on silver has seen the premium paid in India fall by about 14 per cent this year so that it is now only $1.50 an ounce above the international price compared with the peak of $8 it reached in 1990. "The smugglers' loss has been the Indian consumer's gain," he said.

Mr Arnold suggested that the shortage of physical metal would be only temporary. "The world is awash with silver," he pointed out. He estimated that world silver stocks probably totalled more than 30,000 tonnes. "Last year's silver supply deficit was about 385 tonnes, according to the Commodities Research Unit. So stocks could meet the deficit for no less than 82 years."

The Xerox Corporation's recent claim that it had discovered a silver-free film for use in the graphic arts sector of the photographic market was also bad news for silver producers, he said. If Xerox captured half this particular market it would be the equivalent of cutting consumption by 4 per cent. "Prices of anything are made at the margin. A loss of 4 per cent consumption has to mean lower average silver prices, all things being equal."

Silver's price has recovered strongly since news of the Xerox discovery first hit the market two weeks ago at which time it dipped to $4.20 a troy ounce. Last night it closed in London at $4.545, down 3 cents.

● Eastman Kodak of the US said it will soon begin customer testing of a new prints-from-slides process using the digital PFX system. But an official said it would have no significant impact on silver usage.

An African is to head the UN's food agency, reports **John Madeley**

Out of the continent of need

FOOD deficit countries in Africa can expect a higher priority following the election of Mr Jacques Diouf, a 55-year-old Senegalese diplomat, as the next director-general of the UN Food and Agriculture Organisation.

Chosen on Monday by FAO's 168-member countries, Mr Diouf takes over at the start of 1994 for a six-year term. But he is taking a "wait and see" attitude to reforms in the UN's largest and probably most bloated agency.

With a mandate to help increase food output, and an annual budget of about $7m a year, the FAO employs 6,200 people, about half of them at its Rome headquarters. The candidate that ran Mr Diouf a close second in this week's election, Mr Geoff Miller of Australia, wanted to get many of the Rome staff out into the field.

Mr Diouf appears to have no such plans. "I don't want at this stage to say what I will cut and what I will not cut; this would be completely irresponsible," he said after his election. His first action would be "to make sure I have all the facts – facts concerning the operations, programme, management, financial aspects, scientific quality and governance. Once I have all these elements, then I will be able to know what I should do and if reforms are needed."

FAO's management under its present director general, Mr Edouard Saouma, has come under strong criticism for an alleged dictatorial style and this has led some countries to withhold their contributions in the last few years.

Mr Diouf will be the first African to hold the post and believes that the significance of his election is that the continent with the "greatest need for a solution to the agricultural problem is Africa". Over the last 10 years, worldwide food production has increased by 24 per cent and population by 20 per cent, he pointed out, while "in Africa production per capita went down by 5 per cent. We have to correct that."

With degrees in tropical economy and agricultural economics, Mr Diouf is a former executive-secretary of the West Africa Rice Development Association which is trying to increase rice output in the region.

Six-year post: Jacques Diouf

FAO has to face challenges of food production, equity and justice, he says. "We have 780m who do not have adequate access to food, 190m below the age of five who have protein deficiency, and we expect by the year 2000 to have a 90m tonne cereal deficit in Africa and Asia. We have to get the organisational, financial and human resources to face those challenges."

He discounted the idea that land set aside for farming in North America and Europe should be used to grow food for the third world. "My main concern will be to ensure that food deficit countries manage to produce enough for their own security – that is the priority."

Solutions to food problems do exist, he stressed: "There are grounds for hope and many countries are successful; if we can take the example of successful countries we can move forward." Promising to eradicate any corruption be found within the FAO, Mr Diouf said the "most important thing about this organisation is its credibility". Its funds come from member nations, he said, who want to be assured that they are well used.

FAO's new chief is likely to be given a honeymoon period by western countries that contribute most of its funds. The United States plans to clear off $80m of arrears to the FAO by the end of 1995. The daunting task facing Mr Diouf is to improve the efficiency of a cumbersome organisation to enable it to make a more substantial contribution to overcoming food shortages.

A spanner in the cocoa cycle

Indonesia is at odds with older producers, writes **William Keeling**

THERE IS no doubting the enthusiasm of cocoa experts for their industry. During a half-hour "cocoa break" at last month's International Conference on Cocoa Economy in Bali an excited delegate was seen grasping a waitress. "Is this made from fermented or non-fermented Sulawesi beans?" he asked, pointing to his hot drink.

Such eagerness may finally be rewarded with the industry climbing away from a 10-year crisis of declining prices and over-production. Marking an important shift, world consumption of 2.44m tonnes in 1992-93 outstripped production and the past few months have seen a 25 per cent rise in world prices to nearly £1,000 a tonne. With the cycle turning, prices are likely to go higher and Mr S. Wateridge, economist at E.D. & F. Man, the UK commodity trading house, forecasts that cocoa prices will reach £1,400 a tonne within the next 18 months.

Softening the effect of the world production shortfall has been the recent decision of the International Cocoa Organisation (ICCO) to sell down its 230,000 tonne buffer stock over five years. Mr Wateridge believes, however, that the industry has "effectively moved from a period of structural surplus to structural deficit, [which] can only be eliminated by higher prices".

Such talk has excited the interest of speculators who can see that today's cocoa prices in real terms are less than a fifth of their 1978-79 peak. They have been encouraged by forecasts of a continuing rise in world consumption set against a projected decline in output from the Ivory Coast and Brazil, two leading producers.

Cocoa's history of volatile prices may not be repeated, however. Almost certain to spoil the speculators' party is Indonesia, where surging production will balance declines elsewhere. The likely result is a low ceiling on the current up-turn in world prices.

While the production of most cocoa nations has stagnated, Indonesia's has risen from 7,000 tonnes in 1980 to 180,000 tonnes last year. Analysts say the country will add 40,000 tonnes each year until the year 2000. Such forecasts, however, are based on poor information, particularly regarding the planted area of cocoa in Indonesia likely to enter production within five years.

A weak statistical base has made a mockery of the ICCO's recent forecasts. In January, the organisation said Malaysia and Indonesia would each lift production by 60 per cent between 1991 and 1997 to 315,000 tonnes and 320,000 tonnes respectively. Ten months later, it has put Malaysia's 1997-98 production at 258,000 tonnes and Indonesia's at 463,000 tonnes. "These huge differences ... clearly highlight the need to improve statistical transparency on tree-stocks," suggests Mr Henri Jason, senior ICCO economist. Greater transparency, however, is unlikely. Indonesia and Malaysia are not members of the ICCO and have been conspicuously slow to endorse the organisation's proposal to limit production to raise prices.

The conference highlighted a sharp divide between traditional producers in Latin America and Africa, and relative newcomers in south-east Asia. Whereas the low world price may be exacerbating the problems of the already poor farmers in countries such as the Ivory Coast and Nigeria, in Indonesia cocoa is seen as a means of alleviating rural poverty.

Behind the divide, are varying levels of productivity in each country. The Food and Agricultural Organisation estimates that in 1989-1991, the average yield per hectare in African countries was 380 kg, compared with 779 kg in Malaysia and 1,177 kg in Indonesia. As a result, cocoa is remunerative for most farmers in south-east Asia but not in Africa. The answer would be for African and Latin American countries to raise productivity, but there are factors militating against this. Their plantations are older and less productive, and their governments are removing subsidies from inputs such as fertiliser as part of World Bank programmes.

While less productive countries would like higher prices, this depends largely on Indonesia agreeing to limit its output. An agreement excluding Indonesia would most probably only worsen the plight of African and Latin American cocoa producers. As Mr Mario Amin, a Brazilian cocoa economist, pointed out: "In order to improve market prices, some short-term actions have to be taken by the whole group [of cocoa producers] and not just in an individualistic manner".

Few of the conference delegates, however, expected Indonesia to act against its interests. As Mr Wateridge explained, "The other producers are their [the Indonesians'] rivals, not their partners" and if Indonesia is content with current prices, there is little other producers can do.

WORLD COMMODITIES PRICES

MARKET REPORT

COFFEE lost £6 a tonne yesterday to reach £1,264 as traders waited anxiously for the latest Brazilian coffee auction which was due to take place after the market's close. Brazil's commitments to the producers' retention scheme mean it had to buy 264,000 bags of coffee in last night's auction and a final auction to be held today. Traders yesterday expressed scepticism about whethe producers could manage to buy so much in such a short time. A depressed NICKEL market extended early losses by the close, dealers said. Trade support around the $4,600 a tonne level eventually gave way and a sluggish fundamental picture did little to help the price, which ended at $4,587.50 a tonne, down $105. Analysts suggested nickel had further to fall. The Baltic Freight Index (BFI) faced a testing period following the reform of its component routes and its performance will have to be assessed in a year's time. Baltic Exchange chairman Peter Tudball said. "The BFI is effectively on trial until next year. But if the (latest reforms) can't succeed in winning back more volume (to the freight chartering market), it is difficult to see what will," he said.

Compiled from Reuters

London Markets

SPOT MARKETS

		+ or -
Crude oil (per barrel FOB)(Dec)		
Dubai	$14.22-4.27u	+0.08
Brent Blend (dated)	$15.28-5.32	+0.06
Brent Blend (Dec)	$15.68-5.72	+0.12
W.T.I (1 pm est)	$16.95-7.00u	+0.16
Oil products (NWE prompt delivery per tonne CIF		
Premium Gasoline	$172-174	-1
Gas Oil	$169-170	+1
Heavy Fuel Oil	$62-64	
Naphtha	$149-152	+1
Petroleum Argus Estimates		
Other		
Gold (per troy oz)♣	$376.25	-0.50
Silver (per troy oz)♣	[illegible]c	-3.00
Platinum (per troy oz)	$377.75	+2.00
Palladium (per troy oz)	$129.00	+0.35
Copper (US Producer)	80.0c	
Lead (US Producer)	33.88c	
Tin (Kuala Lumpur market)	12.00r	-0.01
Tin (New York)	[illegible]c	-1.50
Zinc (US Prime Western)	Unq	
Cattle (live weight)†	120.22	-2.13*
Sheep (live weight)†♠	83.01p	+2.06*
Pigs (live weight)†	72.39p	-0.01*
London daily sugar (raw)	$257.2	-0.5
London daily sugar (white)	$268.0	-1.0
Tate and Lyle export price	$265.5	-1.0
Barley (English feed)	Unq	
Maize (US No. 3 yellow)	£120.6	
Wheat (US Dark Northern)	£175.0	
Rubber (Dec)♥	60.50p	-0.50
Rubber (Jan)♥	60.75p	-0.50
Rubber (KL RSS No 1 Jul)	207.0m	
Coconut oil (Philippines)§	$470.0v	
Palm Oil (Malaysian)§	$397.5u	+12.5
Copra (Philippines)§	$315.0	+7.5
Soyabeans (US)	£200.0w	+7.0
Cotton "A" Index	54.75c	+0.30
Wooltops (64s Super)	363p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. z-Nov v-Dec/Jan u-Dec t-Jan/Mar w-Nov/Dec ♥London physical. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg. ♠Sheep prices are now live weight prices * change from a week ago, provisional prices.

CRUDE OIL – IPE ($/barrel)

	Latest	Previous	High/Low	
Dec	15.70	15.32	15.73	15.21
Jan	16.04	15.64	16.07	15.56
Feb	16.27	15.90	16.30	15.82
Mar	16.43	16.05	16.43	16.03
Apr	16.56	16.29	16.57	16.19
IPE Index	15.50	15.48		

Turnover 60917 (64207)

GAS OIL – IPE ($/tonne)

	Close	Previous	High/Low	
Nov	165.25	165.25	164.00	163.00
Dec	163.50	162.50	164.25	160.25
Jan	162.25	161.00	163.50	159.25
Feb	162.00	160.50	162.25	158.75
Mar	161.25	159.75	161.50	158.00
Apr	160.00	158.75	161.00	157.25
May	159.00	158.50	159.00	157.50
Jun	160.00	159.25	158.75	156.25
Jul	162.00	161.00	160.25	
Aug	163.25	162.50	162.25	162.00

Turnover 24420 (16968) lots of 100 tonnes

SUGAR – LCE ($ per tonne)

White	Close	Previous	High/Low	
Dec	281.60	279.50	280.50	279.00
Mar	276.60	274.80	276.60	275.00
Oct	271.10	270.00	271.10	

Turnover 970 (2848) Paris- White (FFr per tonne): Mar 1640.41 May 1663.34

FRUIT & VEGETABLES

New Zealand and Italian kiwifruit are currently 10-25p each (15-20p), making them this week's best fruit buy. Outspan oranges are 10-28p each, depending on size (10-28p) and Spania navels are new in this week at 12-30p each depending on size. English and Dutch cauliflowers are this week's best vegetable buy at 30-60p each, depending on size (40-55p). English, French and Spania carrots are 15-25p a lb (15-25p) and English swedes are currently 10-30p a lb (15-30p). There are plenty of Spania iceberg lettuces available this week for 55-85p each, depending on size (55-95p). (NB last week's prices shown in brackets)

No.7 RAW SUGAR – LCE (cents/lbs)

	Close	Previous	High/Low	
Mar	10.44		10.44	10.39
May	10.75	10.66	10.67	
Jul	11.05	10.93	11.05	

Turnover 199 (44) lots of 50 tonnes.

COCOA – LCE (£/tonne)

	Close	Previous	High/Low	
Dec	931	923	933	921
Mar	974	961	975	961
May	985	986	984	970
Jul	988	972	988	974
Sep	988	973	986	976
Dec	956	960	958	950
Mar	982	951	963	952
May	986	957	960	965
Sep	977	986	967	965

Turnover: 8852 (7898)lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Nov 10 914.32 (892.87) 10 day average for Nov 11 907.98 (908.34)

COFFEE – LCE ($/tonne)

	Close	Previous	High/Low	
Nov	1209	1216	1224	1212
Jan	1225	1230	1237	1220
Mar	1207	1210	1219	1205
May	1192	1199	1208	1191

Turnover: 2289 (1771) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Nov 10 Comp. daily 69.30 (69.23) 15 day average 69.22 (69.15)

POTATOES – LCE (£/tonne)

	Close	Previous	High/Low	
Apr	85.4	85.6	85.4	85.0
May	100.3	100.6	100.3	

Turnover 89 (97) lots of 20 tonnes.

FREIGHT – LCE ($10/index point)

	Close	Previous	High/Low	
Nov	1340	1330	1346	1340
Dec	1347	1330	1355	1350
Jan	1346	1341	1350	1346
Apr	1353	1344	1358	1353
Jul	1211	1207	1211	1205
Oct	1375	1375	1380	1375
BFI	1319	1321		

Turnover 145 (84)

GRAINS – LCE (£/tonne)

Wheat	Close	Previous	High/Low	
Nov	98.20	98.90	98.25	98.00
Jan	100.35	99.90	100.35	99.85
Mar	102.20	101.90	102.20	101.85
May	104.20	103.90	104.20	103.70
Nov	92.65	92.65	92.65	
Barley	**Close**	**Previous**	**High/Low**	
Nov	100.50		100.50	
Jan	103.60	103.30	103.60	
Mar	105.65	105.40	105.65	
May	107.00	107.50	107.40	

Turnover: Wheat 274 (313) Barley 29 (35)
Turnover lots of 100 Tonnes.

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 30,054 lots
Cash	1046-7	1041-2	1049.5/1049	1049.5-50.0		
3 months	1067-7.5	1062-3	1072/1066	1071-1.5	1069-70	[illegible] lots
Copper, Grade A ($ per tonne)						Total daily turnover 42,697 lots
Cash	1643.5-4.5	1650-2	1646	1644.5-5.0		
3 months	1666-7	1674-5	1672/1665	1677.5-8.0	[illegible]	199,795 lots
Lead ($ per tonne)						Total daily turnover 4,259 lots
Cash	398.5-7.5	398.5-400.5	397	[illegible]		
3 months	410-0.5	413-4	413/410	410.5-1.0	410-0.5	28,608 lots
Nickel ($ per tonne)						Total daily turnover 12,264 lots
Cash	4525-30	4630-5	4585	4580-5		
3 months	4585-90	4680-5	4680/4570	4625-30	4580-5	61,866 lots
Tin ($ per tonne)						Total daily turnover 3,386 lots
Cash	4585-90	4595-605	4620	4620-1		
3 months	4635-40	4650-5	4680/4640	4665-70	4640-5	14,202 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 12,119 lots
Cash	938-7	933.5-4.5	939/936	939-9.5		
3 months	953-4	951-2	960/948	958.5-7.0	915-1.5	81,966 lots

LME Closing £/$ rate:
SPOT: 1.4777 3 months: 1.4700 6 months: 1.4640 9 months: 1.4580

LME AM Official £/$ spot rate 1.4785

LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (troy oz)	$ price	£ equivalent
Close	376.00-376.50	
Opening	376.60-377.00	
Morning fix	377.15	255.176
Afternoon fix	376.75	254.509
Day's high	377.40-377.80	
Day's low	375.90-376.40	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.69	6 months	2.72
2 months	2.71	12 months	2.74
3 months	2.71		

Silver fix	p/troy oz	US cts equiv
Spot	309.05	456.75
3 months	313.15	460.20
6 months	317.00	463.80
12 months	324.30	472.25

GOLD COINS

	$ price	£ equivalent
Krugerrand	378.00-381.00	256.00-259.00
Maple leaf	387.15-389.60	-
New Sovereign	88.00-91.00	59.00-62.00

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Dec	Mar	Dec	Mar
1025	47	72	10	15
1050	31	55	19	23
1075	19	42	32	34
Copper (Grade A)	**Calls**		**Puts**	
1625	56	91	21	33
1650	42	78	31	42
1675	30	62	44	54
Coffee LCE	**Jan**	**Mar**	**Jan**	**Mar**
1150	93	110	18	53
1200	60	90	35	83
1250	38	70	61	113
Cocoa LCE	**Dec**	**Mar**	**Dec**	**Mar**
875	57	117	1	18
900	36	99	5	25
925	19	83	13	34
Brent Crude	**Dec**	**Jan**	**Dec**	**Jan**
1600	1	46	53	58
1650	-	25	100	80
1700	-	10	-	-

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Nov	378.6	376.8	378.8	378.6
Dec	378.4	377.4	378.8	376.2
Jan	377.4	378.4	378.5	376.5
Feb	378.4	379.4	[illegible]	378.1
Apr	380.2	381.2	382.3	380.2
Jun	382.0	383.0	384.0	382.5
Aug	383.8	384.8	384.5	384.5
Oct	385.7	386.7	0	0
Dec	387.7	388.7	389.2	389.0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Nov	363.0	363.0	0	0
Jan	379.7	379.7	381.5	377.5
Apr	381.1	381.1	382.0	380.2
Jul	381.9	381.9	382.0	381.0
Oct	383.4	383.4	383.0	383.0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Nov	454.9	456.8	0	0
Dec	455.5	457.5	462.0	450.5
Jan	457.0	459.0	464.0	453.0
Mar	460.2	462.2	467.0	456.0
May	463.3	465.3	468.5	463.5
Jul	466.3	468.3	472.0	462.0
Sep	469.5	471.5	469.0	466.0
Dec	474.3	476.3	478.0	471.0
Jan	475.4	477.4	0	0
Mar	478.5	481.5	0	0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Nov	74.65	74.55	75.00	74.80
Dec	75.00	74.85	75.25	74.65
Jan	75.20	75.05	0	0
Feb	75.40	75.25	0	0
Mar	75.60	75.50	75.80	75.35
Apr	75.85	75.75	0	0
May	76.10	76.00	76.20	76.00
Jun	76.35	76.25	0	0
Jul	76.60	76.50	76.75	76.60
Aug	76.85	76.75	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Dec	17.00	16.65	17.07	16.38
Jan	17.28	16.84	17.34	16.88
Feb	17.50	17.07	17.56	16.98
Mar	17.68	17.36	17.75	17.15
Apr	17.80	17.41	17.82	17.31
May	17.94	17.55	17.95	17.50
Jun	18.09	17.69	18.09	17.59
Jul	18.20	17.81	18.21	17.81
Aug	18.35	17.95	18.30	18.27
Sep	18.33	18.05	18.36	18.03

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Dec	52.25	[illegible]	52.45	50.95
Jan	53.05	51.80	53.20	51.20
Feb	53.35	51.95	53.55	51.70
Mar	53.00	51.80	53.00	51.30
Apr	[illegible]	51.00	52.30	50.85
May	51.80	50.40	51.80	50.40
Jun	50.90	50.10	50.80	49.80
Jul	51.00	50.30	50.95	50.80
Aug	51.40	50.85	51.70	50.80
Sep	53.10	51.80	53.05	50.40

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Dec	1129	1119	1131	1113
Mar	1186	1176	1190	1172
May	1205	1198	1208	1194
Jul	1215	1207	1218	1207
Sep	1230	1216	1230	1215
Dec	1245	1230	0	0
Mar	1255	1245	1246	1246
May	1276	1266	0	0
Jul	1286	1276	0	0
Sep	1307	1297	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Dec	75.00	76.05	76.00	74.20
Mar	77.75	78.80	78.55	77.10
May	79.40	80.25	80.10	78.50
Jul	80.80	81.70	81.00	81.00
Sep	82.30	83.25	0	0
Dec	84.65	85.55	84.80	84.40
Mar	87.15	88.00	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	10.19	10.10	10.20	10.10
May	10.41	10.31	10.41	10.32
Jul	10.46	10.41	10.49	10.42
Oct	10.48	10.39	10.46	10.40

COTTON 50,000 lbs; cents/lbs

	Close	Previous	High/Low	
Dec	58.90	57.57	59.00	57.57
Mar	60.85	59.59	60.95	59.70
May	62.25	60.95	62.25	61.02
Jul	[illegible]	62.00	63.60	62.25
Oct	63.40	62.76	62.80	62.80
Dec	63.50	62.80	63.60	62.85
Mar	63.98	63.60	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Nov	105.75	104.75	106.00	104.30
Jan	108.85	107.70	108.90	105.85
Mar	111.40	110.35	111.50	108.60
May	113.00	112.10	113.10	111.00
Jul	114.50	113.60	114.00	112.50
Sep	116.25	115.00	116.25	116.25
Nov	113.50	112.60	0	0
Jan	113.50	112.60	0	0
Mar	113.50	112.60	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Nov 11	Nov 10	mnth ago	yr ago
1616.4	1614.7	1576.5	1651.3

DOW JONES (Base: Dec. 31 1974 = 100)

	Nov 10	Nov 9	mnth ago	yr ago
Spot	121.68	120.38	118.87	114.38
Futures	134.51	133.66	128.14	116.32

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Nov	674/6	679/0	678/4	669/4
Jan	682/0	686/0	687/0	676/0
Mar	686/4	675/0	692/0	681/4
May	690/6	675/6	694/4	685/0
Jul	692/4	680/6	696/6	686/4
Aug	690/4	679/0	691/4	684/0
Sep	665/0	666/0	671/0	664/0
Nov	644/2	647/6	649/4	644/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Dec	25.78	24.81	25.90	25.02
Jan	25.75	24.89	25.90	25.08
Mar	25.86	24.86	26.01	25.25
May	25.82	24.95	26.00	25.25
Jul	25.75	24.99	25.98	25.40
Aug	25.47	24.80	25.70	25.30
Sep	25.05	24.85	25.40	[illegible]
Oct	24.90	24.30	24.70	24.40

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Dec	213.6	210.7	214.3	211.0
Jan	[illegible]	208.4	212.0	208.2
Mar	208.8	207.7	210.5	[illegible]
May	208.0	207.7	210.0	208.2
Jul	208.0	208.7	210.0	[illegible]
Aug	207.0	208.0	208.0	205.6
Sep	205.5	207.3	207.0	204.0
Oct	202.7	205.0	203.5	202.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Dec	277/6	273/4	280/0	277/4
Mar	285/2	280/6	295/0	285/0
May	287/6	284/4	296/0	287/2
Jul	287/6	285/6	293/0	287/4
Sep	273/0	275/6	279/0	272/0
Dec	261/2	265/6	266/4	258/0
Mar	268/0	272/0	272/4	267/0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Dec	339/6	345/2	348/4	338/4
Mar	340/0	345/0	348/0	339/4
May	329/2	334/4	334/0	329/0
Jul	321/4	324/4	325/0	321/0
Sep	324/0	329/0	327/2	324/0
Dec	336/0	335/4	336/0	335/4
Jul	325/0	325/0	0	0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Dec	74.050	73.625	74.200	73.700
Feb	74.725	74.775	74.925	74.400
Apr	76.575	76.600	76.700	76.300
Jun	73.325	73.400	73.500	73.150
Aug	72.000	72.050	72.250	71.900
Oct	72.300	72.500	72.425	72.225
Dec	73.175	73.300	73.175	73.050

LIVE HOGS 40,000 lb; cents/lbs

	Close	Previous	High/Low	
Dec	48.575	48.175	48.625	48.275
Feb	48.225	47.850	48.350	47.700
Apr	47.375	47.250	47.450	47.150
Jun	52.975	52.775	53.000	52.450
Jul	52.025	51.750	52.025	51.700
Aug	51.000	50.700	51.150	50.650
Oct	47.000	46.950	47.150	46.850
Dec	48.050	47.100	48.050	47.600

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Feb	55.850	56.125	56.000	55.225
Mar	55.850	54.975	55.950	55.100
May	56.300	56.200	56.700	55.500
Jul	57.300	56.475	57.300	56.450
Aug	56.750	56.475	56.750	56.250

Footsie 3,100 lost in uneasy market

By Terry Byland,
UK Stock Market Editor

WORRIES over global bond yields were put on hold yesterday in a London market lacking a lead because of the Armistice Day closure of several other leading financial centres. The disappointing trend in New York bonds on Wednesday offset the firm performance by Wall Street.

After an attempt to move forward, UK equities were halted by Shell Transport reporting third-quarter figures below market hopes. With Euro Disney's trading losses still a negative factor, and some UK company results also unfavourable yesterday, the market lost most of its early gain, and also the 3,100 mark on the FT-SE 100 Index, which closed only 1.2 up on the day at 3,099.7.

Once again, stock index futures provided much of the direction for the equity market. The leading securities houses, having used stock index futures as a means of repositioning themselves in a deteriorating stock market, were struggling to balance their commitments in both derivatives and the underlying stocks.

Some traders expressed satisfaction with the day's market. Others, however, noting some late institutional selling, feared that a sizeable cash-raising might be pending. It was a slack day for UK economic data and investors were evidently content to wait for the US October retail sales figures, due today. Next week is heavily weighted with economic news from both the UK and the US, and will also be featured by speculation ahead of the monthly policy meeting at the Bundesbank.

Once again, there was heavy turnover in the food retailing stocks which have suffered severely over the past month from clear signs that a price war is hotting up in the sector. In contrast, the international blue chips, lacking a convincing lead from New York, stayed out of the picture.

The FT-SE Mid 250 Index continued to drift lower, shedding a further 5.8 to 3,434.6. Seaq volume remained fairly good at 743.8m shares compared with 778m on Wednesday when retail or customer business was worth £1.7bn – at the higher end of this year's daily averages.

Firmness overnight in the Hong Kong stock market brought some support for Far Eastern issues, notably HSBC and Cable and Wireless. Zeneca provided a firm support among pharmaceuticals, as the shares rebounded from a period of weakness.

Domestic stocks continued to tread water ahead of the Budget due at the end of the month from Mr Kenneth Clarke, the UK chancellor of the exchequer. Some building and construction stocks improved on underlying expectations that a cut in base rates will not be long delayed but there was little support for the store and retail issues after Burton Group, the high street clothing retailer, reported higher profits but disappointing sales growth.

Bank stocks, also keen reflectors of base rate hopes in the stock market, could make little headway and closed near to overnight levels having lost a scattering of early gains.

Although inclined to leave the London market to its own devices until US and European markets return to full power, UK strategists expressed concern over the poor outcome of the US bond auctions which, they feared, may continue to depress the US Federal bond sector.

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change
ASDA Group†	1,200	49¼	-1
Abbey National†	3,300	404	-1
Albert Fisher	475	87	-1
Allied-Lyons†	848	552	+6
Anglian Water†	997	505	+1
Argos	501	336	-6
Argyll Group†	12,000	249	-2
Arjo Wiggins†	2,000	222	
Assoc. Brit. Foods†	225	476	+6
Ass. Brit. Ports	2,000	484	+6
BAA†	926	986	-4
BAT Inds.†	6,200	605	+5
BET	2,100	125½	-3½
BICC	184	380	-1
BOC†	1,800	632	+1
BP†	10,000	359½	+2
BPB Inds.	1,100	281	-3
BT†	4,000	451½	-3
BT (Prtly Pd)	1,900	211½	-3½
BTR†	8,700	380	+5
Bank of Scotland†	3,700	191	-1
Barclays†	2,700	572	-1
Bass†	1,200	497	-6
Blue Circle†	1,800	287	+6
Booker	389	391	+2
Boots†	736	510	+1
Bowater†	1,700	407	-8
Brit. Aerospace†	699	441	-1
British Airways†	7,100	365	-2
British Gas†	5,800	314½	-4
British Land	588	[illegible]	-4
British Steel†	7,200	123	-½
Bunzl	314	133	-2
Burmah Castrol†	339	780	-3
Burton	46,000	66½	-11
Cable & Wire.†	8,600	495	+10
Cadbury Schweppes†	1,500	470	+4½
Caird Group	128	287	-3
Caradon†	1,800	339	
Carlton Comms.†	385	738	-6
Coats Viyella†	4,100	286	-1½
Comm. Union†	1,400	613	+1
Cookson	1,100	207	
Courtaulds†	587	499	-7
Dalgety	604	441	+2
De La Rue	370	961	+6
Dixons	2,800	263	-2
Eastern Elec.	1,400	695	+12
East Midland Elec.	441	598	+14
Eng China Clays	314	417	
Enterprise Oil†	2,800	461	-4
Eurotunnel Units	40	465	
FKI	2,500	101	+½
Fisons	3,700	139	+½
Foreign & Col. I.T.	160	282	
Forte†	2,500	229	-1
Gen. Accident†	545	601	-2
General Elec.†	6,100	334	-7
Glaxo†	4,000	658	+6
Glynwed Intl.	390	303	-3
Granada†	817	476	-6
Grand Met.†	1,700	395	+1
GUS†	1,300	534	+4
GRE†	864	206	-2
GKN	1,500	474	+6
Guinness†	3,200	420	+6
HSBC (75p shrs)†	7,000	770	+12
Hammerson 'A'	348	382	+6
Hanson†	7,800	277½	+¼
Harrisons Crosfield	332	179	
Hays	384	269	-6
Hillsdown	2,800	145	+1
IMI	205	292	-½
ICI†	1,400	682	-10
Inchcape†	2,800	483	+14
Johnson Matthey	54	478	-6
Kingfisher†	1,100	654	
Kwik Save	486	592	-7
Ladbroke†	4,700	189	+1½
Land Securities†	143	711	+1
Laporte	2,500	659	-2
Legal & General†	247	493	-2
Lloyds Abbey	1,300	426	-2
Lloyds Bank†	921	[illegible]	+1
LASMO	2,300	128½	-2¼
London Elec.	743	578	+14
Lonrho	3,800	136	+1
Lucas	3,500	173	-3½
MEPC†	1,300	489	+3
MFI	788	143	-2
Manweb	416	[illegible]	+15
Marks & Spencer†	2,800	396	
Midlands Elec.	718	[illegible]	+16
Morrison (Wm.)	259	[illegible]	-4
NFC†	997	201	-3
NatWest Bank†	2,500	556	+2
National Power†	8,300	389½	-3
Next	17	180	-2
North West Water†	1,200	515	+2
Northern Elec.	532	827	+14
Northern Foods†	2,800	228	+6
Norweb	466	[illegible]	+13
Pearson†	3,200	574	+16
P & O†	1,800	637	-10
Pilkington	976	145	+1
PowerGen†	4,800	482	-3
Prudential†	2,000	338	-1
RMC†	735	[illegible]	+6
RTZ†	1,400	842	-5
Racal	593	218	+3
Rank Org.†	1,500	819	+1
Reckitt & Colman†	691	622	-8
Redland†	684	504	-2
Reed Intl.†	1,600	749	-10
Rentokil†	534	204	
Reuters†	481	1690	+11
Rolls Royce†	2,400	162	-1½
Ryl Bk Scotland†	3,700	346	+2
Royal Insurance†	4,700	316	-2
Sainsbury†	6,300	366	-2
Schroders†	2	1243	-2
Scottish & New.†	1,900	482	-2
Scot. Hydro-Elec.	348	387	-3
Scottish Power†	3,600	381	-½
Sears†	10,000	118	
Sedgwick	2,100	182	
Seeboard	705	635	+7
Severn Trent Water†	385	527	+2
Shell Transport†	10,000	704	-18
Siebe†	947	559	-4
Slough Ests.	1,200	245	+1
Smith (W.H.) A	87	485	-2
Smith & Nephew†	1,900	134½	-½
SmKl Beecham†	2,200	414½	-½
SmKl Beecham Uts†	1,800	377	+6
Smiths Inds.	402	417	-7
Southern Elec.†	811	806	+19
South Wales Elec.	64	640	+17
South West Water	93	[illegible]	+1
South West. Elec.	297	539	+9
Southern Water	574	563	
Standard Chard.†	652	1051	+6
Storehouse	3,500	185	-9
Sun Alliance†	1,000	[illegible]	-2
T&N	1,600	[illegible]	-3
TI Group†	1,300	383	+2
TSB†	2,300	210	-1
Tarmac	1,100	139	-3
Tate & Lyle	4,100	376	-6
Taylor Woodrow	82	117	-1
Tesco†	46,000	183	+4
Thames Water†	1,200	536	+6
Thorn EMI†	1,300	934	
Tomkins†	2,600	234	-½
Trafalgar House	254	95	+½
Unigate	73	373	+2
Unilever†	1,300	1103	-27
United Biscuits†	1,100	330	
Utd. Newspapers	1,400	523	-12
Vodafone†	5,700	546½	+5¼
Warburg (SG)†	611	848	
Wellcome†	3,600	677	-1
Welsh Water	107	623	-3
Wessex Water	46	629	-6
Whitbread 'A'†	661	482	-6
Williams Hldgs.†	2,500	331	-4
Willis Corroon	80	224	
Wimpey	1,700	183	+2
Wolseley†	430	715	-1
Yorkshire Elec.	919	629	+30
Yorkshire Water	51	[illegible]	-3
Zeneca†	2,600	734	+17

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down. † Indicates an FT-SE 100 Index constituent.

FT-SE Actuaries Share Indices THE UK SERIES

FT-SE 100	FT-SE MID 250	FT-A ALL-SHARE
3099.7 +1.2	3434.6 -5.8	1529.21 -0.10

	Nov 11	Day's change %	Nov 10	Nov 9	Nov 8	Year ago	Dividend yield %	Earnings yield %	P/E Ratio	Xd adj ytd	Total Return
FT-SE 100	3099.7	..	3098.5	3106.0	3077.6	2626.4	3.82	5.64	22.01	84.68	1129.65
FT-SE Mid 250	3434.6	-0.2	3440.4	3439.8	3440.7	2616.6	3.54	5.78	21.06	85.77	1240.79
FT-SE Mid 250 ex Inv Trusts	3432.6	-0.2	3441.1	3441.3	3444.4	2620.1	3.66	6.20	19.76	87.90	1235.80
FT-SE-A 350	1543.9	..	1544.0	1541.0	1538.0	1317.4	3.76	5.67	21.79	41.36	1152.64
FT-SE SmallCap	1771.46	—	1771.77	1773.67	1777.15	-	3.12	3.84	35.74	38.64	1338.61
FT-SE SmallCap ex Inv Trusts	1754.12	-0.2	1757.02	1760.78	1764.60	-	[illegible]	4.26	33.21	40.86	1327.60
FT-A ALL-SHARE	1529.21	..	1529.31	1528.48	1522.14	1291.80	3.72	5.55	22.34	40.50	1161.97
1 CAPITAL GOODS(215)	1059.05	-0.2	1061.30	1059.29	1060.21	786.43	3.86	3.96	33.06	30.39	1256.83
2 Building Materials(28)	1201.41	-0.2	1203.75	1198.56	1189.02	804.99	3.81	2.87	50.70	32.08	1404.10
3 Contracting, Construction(29)	1022.48	-0.1	1023.79	1022.73	1017.14	702.31	3.10	1.22	80.00†	24.02	1428.51
4 Electricals(15)	2303.98	+0.1	2299.36	2326.42	2264.38	2110.52	4.66	3.66	33.63	105.80	1183.31
5 Electronics(39)	2328.73	-1.1	2361.11	2358.84	2362.17	2193.50	3.09	5.88	20.80	86.47	1240.43
6 Engineering-Aerospace(7)	464.49	-0.8	468.07	464.53	459.25	271.28	3.11	‡	‡	12.12	1629.26
7 Engineering-General(49)	627.99	-0.4	630.28	628.39	628.95	442.69	3.48	5.43	22.46	15.39	1266.50
8 Metals & Metal Forming(8)	472.79	-0.5	475.01	471.93	470.25	274.02	2.29	‡	‡	7.84	1498.83
9 Motors(20)	455.79	+0.1	455.47	456.43	451.30	326.77	4.85	4.02	34.50	19.41	1281.75
10 Other Industrials(19)	2066.00	+0.4	2057.19	2055.67	2075.49	1798.71	4.80	6.04	19.58	71.66	1078.23
21 CONSUMER GROUP(240)	1661.68	+0.1	1660.01	1665.47	1660.93	1669.70	3.58	6.70	17.83	40.87	972.98
22 Brewers and Distillers(29)	1798.63	+0.3	1793.38	1799.14	1801.31	1965.12	4.15	8.55	14.13	46.54	883.42
25 Food Manufacturing(24)	1321.62	-0.6	1328.96	1325.12	1322.53	1232.29	3.89	7.24	16.34	34.68	1026.07
26 Food Retailing(17)	2296.55	-0.3	2302.83	2327.06	2326.57	2911.10	4.14	11.32	10.97	61.00	723.20
27 Health & Household(21)	3580.74	+1.0	3546.43	3587.74	3565.02	4342.87	3.01	6.42	18.20	80.89	865.16
29 Hotels and Leisure(29)	1387.92	..	1387.60	1390.55	1382.51	1149.10	4.24	5.92	21.14	63.05	1128.25
30 Media(34)	2205.53	+0.3	2198.48	2197.52	2193.37	1653.23	2.35	4.83	36.13	38.30	1233.23
31 Packaging and Paper(26)	864.86	-0.5	869.37	872.33	874.21	744.70	3.44	5.37	22.51	22.08	1138.16
34 Stores(35)	1292.35	-0.5	1299.09	1293.60	1290.14	1084.09	2.84	5.47	22.98	24.77	1137.86
35 Textiles(20)	854.19	-0.4	857.56	857.12	850.68	703.14	3.65	5.47	23.02	22.30	1175.99
40 OTHER GROUPS(148)	1671.86	+0.2	1668.80	1663.01	1653.42	1373.45	3.93	6.86	17.57	44.11	1189.47
41 Business Services(27)	1625.29	+0.1	1623.08	1619.33	1616.10	1453.34	2.77	7.32	15.51	32.73	1091.41
42 Chemicals(24)	1510.73	-0.8	1523.31	1534.27	1537.73	1339.34	4.33	0.39	‡	47.67	1096.30
43 Conglomerates(11)	1616.30	..	1616.69	1607.68	1590.22	1351.03	4.75	6.49	17.39	48.57	1209.51
44 Transport(16)	3214.15	-0.6	3233.90	3232.36	3210.87	2572.05	3.64	4.00	28.51	89.51	1201.41
45 Electricity(17)	2125.06	+0.8	2107.80	2123.65	2136.89	1515.76	3.76	11.04	11.22	63.87	1408.68
46 Telephone Networks(4)	2055.75	+0.3	2049.49	2031.98	2012.66	1600.93	3.38	6.08	20.18	34.68	1246.08
47 Water(13)	3596.88	+0.2	3590.80	3536.72	3577.31	3323.25	4.97	12.03	9.19	106.71	1144.59
48 Miscellaneous(31)	2652.76	+0.7	2635.25	2600.91	2449.43	2369.67	4.48	7.21	16.62	83.58	1071.03
49 INDUSTRIAL GROUP(587)	1526.56	+0.1	1525.75	1525.27	1520.98	1355.78	3.76	6.23	19.58	38.74	1096.42
51 Oil & Gas(17)	2784.89	-1.2	2818.04	2837.97	2806.13	2174.10	4.05	5.74	21.79	84.22	1280.44
59 "500" SHARE INDEX(615)	1634.65	-0.1	1636.04	1636.92	1630.72	1431.54	3.79	6.18	19.81	43.34	1115.75
61 FINANCIAL GROUP(91)	1196.19	+0.3	1192.96	1186.48	1179.23	854.04	3.82	3.21	45.97	33.89	1417.83
62 Banks(9)	1678.72	+0.6	1669.83	1654.63	1636.44	1190.31	3.21	3.74	36.82	45.27	1468.06
65 Insurance (Life)(6)	2056.00	-0.3	2062.00	2067.20	2069.33	1686.93	4.47	4.86	26.97	73.80	1210.05
66 Insurance (Composite)(7)	712.88	-0.1	713.19	700.88	701.29	604.02	4.73	‡	‡	28.54	1165.38
67 Insurance Brokers(10)	866.36	+0.1	865.47	867.36	863.60	745.87	4.53	4.82	30.26	25.42	1157.74
68 Merchant Banks(6)	820.86	+0.3	818.27	830.26	840.08	465.50	2.87	7.09	17.31	15.40	1674.41
69 Property(30)	1073.99	+0.1	1073.18	1075.58	1067.53	613.58	3.78	3.75	35.04	23.67	1727.78
70 Other Financial(23)	443.60	-0.3	445.03	449.13	450.61	286.95	3.60	5.27	25.04	10.96	1514.70
71 Investment Trusts(111)	1727.06	+0.6	1717.03	1711.09	1706.60	1264.46	2.38	1.91	52.42	30.08	1320.78
99 FT-A ALL-SHARE(817)	1529.21	..	1529.31	1528.48	1522.14	1291.80	3.72	5.55	22.34	40.50	1161.97

Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3108.7	3105.1	3108.3	3102.9	3100.4	3106.2	3106.5	3105.2	3099.9	3111.5	3099.7
FT-SE Mid 250	3440.6	3443.0	3442.2	3440.3	3439.7	3439.6	3439.1	3438.9	3434.8	3443.5	3434.6
FT-SE-A 350	1548.0	1548.8	1548.0	1545.7	1546.8	1547.0	1547.0	1546.6	1544.0	1549.0	1543.9

Time of FT-SE 100 high: 8.46am low: 4.30pm

FT-SE Actuaries 350 Industry Baskets

Hourly	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous close	change
Construcn	1943.9	1944.2	1944.2	1946.0	1946.9	1948.9	1948.9	1949.9	1946.8	1942.1	1943.7	-1.6
Health & H	1077.4	1073.0	1076.7	1074.9	1076.1	1076.5	1078.5	1080.1	1081.2	1080.6	1069.7	+10.8
Water	1474.6	1483.1	1484.8	1486.2	1487.1	1487.1	1486.4	1483.7	1484.8	1484.4	1481.9	+2.5
Banks	2039.6	2039.5	2042.1	2040.6	2040.1	2040.6	2040.9	2042.3	2040.0	2040.6	2029.6	+10.9

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues. Lists of constituents are available from The Financial Times Limited, One Southwark Bridge, London SE1 9HL. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products relating to these indices, is available from FINSTAT at the same address.
The increase in the size of the FT-Actuaries All-Share Index from January 4 1993 means that the FT 500 now contains more stocks. It has been renamed the FT "500". † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative.
The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 Indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share Index is compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules.

"FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. The FT-SE Actuaries Share Indices are audited by The WM Company.

Account Dealing Dates

*First Dealings: Nov 1	Nov 15	Nov 29
Option Declarations: Nov 11	Nov 25	Dec 9
Last Dealings: Nov 12	Nov 26	Dec 10
Account Day: Nov 22	Dec 6	Dec 13

*New time dealings may take place from two business days earlier.

Mixed welcome for Shell

THE MARKET'S recent love affair with Shell Transport, which took the shares up to a record 724p, was halted yesterday after the oil group announced third-quarter results broadly in line with expectations. "The stock market is a very fickle place at present, and there is nothing wrong with these numbers except that the super optimists have been marginally disappointed," said one sector specialist.

He said the oil sector had possibly been carried away on a sea of optimism prompted by BP's recent excellent figures and those of the US majors.

Some of the market's more enthusiastic analysts, and specifically many of those in the Netherlands, had pencilled in a net income forecast on a replacement cost basis of £900m for the period. The actual figure came out at £861m, at the top end of most UK forecasts.

Among the market bulls, Mr John Toalster at Strauss Turnbull described the results as "operationally good" and said he remained "more than happy with the shares", noting the positive points, such as gearing of only 3.8 per cent and cash reserves of £3.7bn. Of the more cautious brokers, Mr Nicholas Clayton at Nomura said: "The long-term bull case for Shell remains intact, but the shares look well up with events."

Mr Fergus MacLeod at NatWest Securities commented: "After outperformance of 25 per cent against a similar stock like Exxon this summer, driven by UK optimism on these issues and dislike of BP, they are vulnerable to even mild disappointments; our recommendation remains hold/underperform."

At the close, Shell was 18 lower at 704p, with turnover of 10m the highest single day's trade since May.

Tesco deal

Food retailers were once again prominent as one institution baled out of Tesco, BZW buying the 29m shares at 173p and placing them in the market at 174p. Another institution is believed to have bought the entire stake.

The deal took turnover in the supermarket group to more than 46m, the biggest daily volume for six years. The shares moved up as news of the deal reached the market, dealers observing some buying interest in the stock at these levels. They closed 4 ahead at 183p.

However, Tesco was not immune from the continuing stream of negative notes on the sector, with James Capel yesterday joining the list of brokers to cut its forecasts for the leading supermarket stocks in the wake of the recent price war developments. In addition, Hoare Govett and Smith New Court both issued sell notes on J. Sainsbury. Its shares slid further, although a late rally limited the fall to 2, closing at 366p. Kwik Save shed 7 to 592p and Argyll Group 2 to 249p.

Activity in Burton

Disappointing finals from Burton prompted very heavy turnover in the shares, which fell 11¾ to 66½p. Analysts downgraded their full-year forecasts for the stores group as fears abounded that margin pressure will continue to impact on revenues in the next financial year. Although the pre-tax profits figure came at the bottom of market expectations, it was the decline in sales since the year-end in August which most worried commentators. "The latest figures show that margins seem to be under pressure in their core businesses," said a stores specialist.

Burton blamed the fall on its stores modernisation programme which meant the closure of a number of sites. However, analysts said this simply underlined the difficulties facing the group in the short term and a continuing factor likely to overhang the shares. Burton launched a £163m rights issue last January to cut debt and fund the accelerated refurbishment programme. Analysts downgraded to a range of £43m to £60m for 1994. By the close turnover topped 46m shares.

Switching out of Shell and into BP drove the latter up 2 to 359½p on higher than usual turnover of 10m shares. Other oil stocks attracted intermittent bouts of selling pressure, with Enterprise 4 off at 461p and Lasmo 2¼ easier at 128½p.

Pict Petroleum featured the small exploration stocks, racing up 9 to an all-time high of 157p after the market began to pick up hints of a substantial exploration success in North Sea well 29/2c in the North Sea. Pict has a 17.5 per cent stake in this well which optimists think could contain up to 100m barrels of oil.

Scholes edged up to 173p after the chairman's positive remarks at the agm, while Molyneux jumped 6 to 71p after the preliminary figures.

Cable and Wireless attracted a series of flurries of strong buying interest, with numerous UK and overseas funds chasing the shares after the Hong Kong market moved up to an all-time high point. The stock price settled 10 higher at 495p on exceptionally heavy turnover of 8.6m shares.

Vodafone shares were bolstered by hints of renewed US demand, closing 5¼ ahead at 546½p on keen turnover of 5.7m.

GEC were looking decidedly wobbly late in the session after one of the market's most aggressive marketmakers offered the stock in size; the close for GEC was 334p, down 7, with 6.1m shares traded.

Diversified media conglomerate Pearson, which owns the *Financial Times*, rose 16 to 574p after announcing a 63 per cent gain in third-quarter profits to £100.6m. The announcement came with details of the Pearson's demerger of Royal Doulton.

The group is to give one Royal Doulton share for every 10 Pearson shares. After the figures were given analysts lifted full-year forecasts to around £209m.

Television stocks were boosted by growing optimism that the government will not oppose mergers within the industry. The most likely takeover candidates are considered to be Anglia, which improved 16 to 415p, LWT, which rose 10 to 508p and Yorkshire Television, up 15 at 206p.

Publisher United Newspapers retreated 12 to 523p on growing nervousness over the threat that VAT will be imposed on them when the Budget is announced at the end of November.

Mirror Group Newspapers held firm at 154p as the group said it was considering a bid for all or part of Irish Press Group.

With Paris closed, there was big turnover in Euro Disney as investors continued to sell following Wednesday's announcement of huge losses and financial restructuring requirements. The shares again tumbled, closing 68 down at 368p with an unusually high 258,000 shares traded. The stock has now fallen 29 per cent in the past two days.

Food manufacturing stocks were mostly resilient to the recent spate of negative news and comments. Cadbury-Schweppes was lifted by a positive note from Kleinwort Benson and the shares added 4½ to 470p. Strauss Turnbull and Hoare Govett were optimistic on prospects for Northern Foods, the shares climbed 6 to 228p. However, Tate and Lyle, off 6 at 376p, were said to be undermined by cautious comments from SG Warburg. Unilever was hit by nerves and profit-taking ahead of results today. The shares tumbled 27 to 1103p.

In a dull drinks sector, Allied Lyons stood out, the shares adding 6 to 552p, with Kleinwort Benson positive.

Cautious comments on Burton's current trading left Storehouse trailing, the shares losing 9 to 185p.

Worries over the chief executive's post at Lucas Industries were said to have once again undermined the shares, which slipped 3½ to 173p.

USM-listed Sherwood Computers came under pressure at the outset of trading, opening around 25p lower at 120p and promptly plunged further to 90p after revealing that full-year results will fall below market expectations. By the close the shares had fallen even further, settling 60 lower at 85p, having touched 83p.

Kewill Systems, on the other hand, were chased higher, closing 11 firmer at 255p, the shares' highest level since they plunged almost 30 per cent in a single session in January 1992. Kewill is scheduled to announce interim figures on November 22.

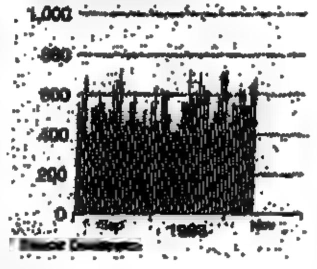
MARKET REPORTERS:
Christopher Price,
Peter John,
Steve Thompson.

■ Other statistics, Page 22

FT-A All-Share Index

Equity Shares Traded

Turnover by volume (million)
Excluding: intra-market business and overseas turnover



Source: Datastream

FINANCIAL TIMES EQUITY INDICES

	Nov 11	Nov 10	Nov 9	Nov 8	Nov 5	Year ago	*High	*Low
Ordinary share	2340.6	2342.7	2338.3	2325.3	2332.0	2027.3	2414.2	2124.7
Ord. div. yield	3.96	3.96	3.98	3.98	3.97	4.54	4.32	[illegible]
Earning yld % full	4.62	4.62	4.60	4.65	4.63	6.38	6.38	4.47
P/E ratio net	27.14	27.12	27.09	26.93	27.05	19.98	28.30	19.49
P/E ratio nil	25.16	25.15	25.12	24.97	25.09	18.46	26.14	18.14
Gold Mines	244.1	235.3	232.2	233.3	235.8	87.5	249.2	80.8

*for 1993. Ordinary share index since compilation: high 2414.2 31/8/93 - low 49.4 26/6/40. Gold Mines Index since compilation high: 734.7 15/2/83 - low 43.5 26/10/71. Basis Ordinary share 1/7/35; Gold Mines 12/9/55.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2350.4	2348.2	2348.5	2347.5	2348.8	2349.7	2349.5	2352.3	2344.1	2352.1	2340.6

Volume	Nov 11	Nov 10	Nov 9	Nov 8	Nov 5	Year ago
SEAQ Bargains	29,165	26,736	28,785	30,352	33,675	31,219
Equity Turnover(£m)†	-	1721.1	1505.0	1307.9	1730.0	1344.2
Equity Bargains†	-	32,765	32,142	33,640	36,873	35,173
Shares traded (mil)†	-	698.0	655.2	551.9	638.6	646.7

† Excluding intra-market business and overseas turnover.

London report and latest Share Index
Tel. 0891 123001. Calls charged at 36p/minute cheap rate, 48p at all other times.

NEW HIGHS AND LOWS FOR 1993

NEW HIGHS (79).
AMERICANS (3) Lockheed, Lowe's, Meley Tech., CANADIANS (3) American Barrick Res., Can. Pacific, TVX Gold, BANKS (1) Bank of Ireland, BREWERS (1) Matthew Clark, BUSINESS SERVS (1) Hutchinson Whmp., CONGLOMERATES (3) Hanson, Do. 9½pc Bd., CONTG & CONSTRCN (1) Shanks, ELECTRICALS (1) Oxford Instruments, ELECTRONICS (2) Kewill Systems, Pelon, ENG AERO (1) Smiths Inds., ENG GEN (3) Fenner, MS Int., Mining & Allied Supplies, HEALTH & HSEHOLD (1) United Drug, MISC COMPOSITE (1) Trade Indemnity, INV TRUSTS (17) Baring Chrysalis, Do. Wrnts., Baring Puma, Castle Colm, Do. Wrnts., Five Arrows Chile, GT Chile Fd. Uts., JF Pacific Warrant, JF Philippine, Do. Wrnts., Jakarta, Korea Europe, Latin American, Malacca Fd. Part., Stern Selective Growth, Schroder Korea Fd., TR Tech. Stepped Pf., MEDIA (4) Anglia TV, Aveeco, City of London PR, Pearson, MISC (2) Osborne & Little, Waterford Wedgwood, MOTORS (2) Charnel, General Motors Uts., OIL & GAS (3) Aminex, Pict Petlm., OTHER FINCL (2) Jardine Strategic, Swire Pacific A, OTHER INDLS (1) Wilshaw, PROP (2) Molyneux Ests., Topa Ests., STORES (1) Stylo, TEXTS (1) Forminster, TRANSPORT (1) CSX, WATER (3) Chesm A, Do. B, MINES (12) Bakyrchik Gold, Blyvoor, Durban Deep, F.S. Cons. Gold, Gencor, Minorco, OFS Invs., Precious Metals Australia, St. Helena, Vaal Reefs, Welkom Gold, Western Deep.
NEW LOWS (37).
BRITISH FUNDS (2) Treas. 14½pc 1994, Treas. 12pc 1995, BUSINESS SERVS (2) Business Post, Sherwood Computer, CHEMS (3) Caird, Hickson, CONTG & CONSTRCN (1) BB & EA, ELECTRICALS (2) Burnfield, Maddox, ENG GEN (1) Clayton Son, FOOD MANUF (1) Northern, FOOD RETAILING (5) Argyll, Iceland, Kwik Save, Sainsbury (J), Tesco, HEALTH & HSEHOLD (3) Intercare, Shield Diagnostics, Smith & Nephew, HOTELS & LEIS (1) Euro Disney, MEDIA (1) Hodder Headline, MISC (4) Beckenham, Bimec, Delaney, Shanks & McEwan, OTHER FINCL (2) Hambro, Policy Portfolio, OTHER INDLS (1) Staveley, PACKG. PAPER & PRINTG (5) Bowater, Do. 7¾pc Pf., Field, Ossory Ests., RPC, St. Ives, PROP (1) Cathay, STORES (1) Betterware, MINES (1) Samson Expln.

EQUITY FUTURES AND OPTIONS TRADING

TECHNICAL position-taking drove stock index futures yesterday in the absence of any fundamental economic impetus, while business in traded options was dominated by heavy activity in Asda, writes Peter John.

The December FT-SE futures contract was inspired by a powerful performance from Wall Street on Wednesday. It opened sharply higher at 3,114 and the mark-up provided a good basis for a strong start in the underlying equity market. December hit a high of 3,122, but there was little serious buying to sustain the rise and the contract petered off through the day.

By the close it had dribbled back to 3,102, near its low of the day and only two points above the cash market. This compared with fair value of around 10 points. Turnover was very poor, with only 6,846 December contracts dealt by the official close.

Many dealers considered that at 3,100, December was at the middle of a 100-point range which will continue until the Budget.

Traded options turnover was dominated by three large deals in Asda, said to have been carried out by Sheppards on behalf of Cazenove. The deals apparently involved 2,630 January 50 calls bought at 4p each, 2,730 January 60 puts bought at 11½p and 2,630 January 50 puts sold at 4p. Total options turnover dipped to around 36,000 lots from just under 40,000 previously.

LONDON SHARE SERVICE

BRITISH FUNDS

Notes	Price £	+ or -	1993 high	1993 low	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)						
Treas 8½pc 1994	100⅝	—	102⅞	100⅜	8.44	5.44
14½pc 1994‡‡	102⅜	-1/16	109¾	102½	14.12	5.66
Exch 13½pc 1994	103½	—	109¼	103½	13.02	5.41
Treas 10pc Ln 1994‡‡	102½xd	—	105⅝	102½	9.74	5.39
Exch 12½pc 1994	105½	—	110¼	105½	11.85	5.34
Treas 9pc 1994‡‡	103½xd	—	105⅝	103⅝	8.69	5.31
12pc 1995	107⅝	-1/16	111⅝	107⅝	11.15	5.32
Exch 3pc Gas 90-95	97½xd	+1/16	97¾	94	3.08	4.79
10¼pc 1995	107¾	—	109¾	107⅛	9.51	5.41
Treas 12¾pc 1995‡‡	113¼xd	-1/16	116⅞	113½	11.21	5.46
14pc 1996	117⅞	-1/16	120⅝	117⅛	11.84	[illegible]
15¼pc 1996‡‡	122	—	125¾	121⅜	12.59	5.62
Exch 13¼pc 1996‡‡	117⅝xd	—	120⅛	115¼	11.29	5.64
Conversion 10pc 1996	111⅛xd	-1/16	112⅜	108⅞	8.97	5.82
Treas 13¼pc 1997‡‡	122⅛	-1/16	122⅝	118½	10.96	5.86
Exch 10½pc 1997	113⅛	—	114⅛	110⅛	9.27	5.90
Treas 8¾pc 1997‡‡	108⅛	—	109⅛	105½	8.01	6.02
Exch 15pc 1997	130⅝	—	132⅛	127⅞	11.51	6.21
9¾pc 1998	112⅝	—	113⅛	109⅛	8.65	6.24
Treas 7¼pc 1998‡‡	104⅛	—	104⅝	99⅞	[illegible]	6.13
7¼pc 1998 B‡‡	104⅛	—	104⅝	101⅛	6.99	6.14
Treas 6¾pc 1995-98‡‡	101⅛xd	—	101⅞	97⅛	6.84	5.96
14pc '98-1	129⅛xd	—	129⅛	125⅛	10.84	6.40
Five to Fifteen Years						
Treas 15½pc '98‡‡	137⅞	+1/16	139⅞	133⅞	11.34	6.35
Exch 12pc 1998	123⅜xd	—	124¾	118⅝	9.71	6.46
Treas 9½pc 1999‡‡	113¼	—	114⅜	108⅛	8.39	6.44
Exch 12¼pc 1999	125⅝	—	126⅝	120⅛	9.77	6.58
Treas 10½pc 1999	119⅛xd	+1/16	119⅛	112⅛	8.87	[illegible]
Treas 6pc 1999 (£50pd)‡‡	48⅝	—	49⅛	45⅛	6.08	6.30
Conversion 10¼pc 1999	116⅛xd	-1/16	116⅛	112⅛	8.67	6.57
9pc 2000‡‡	112¾	—	113⅛	108	7.99	6.53
Treas 13pc 2000	132⅛	+1/16	133⅞	125½	9.80	6.81
10pc 2001	118	—	119⅛	112⅛	8.47	6.82
7pc '01‡‡	101¼	—	102⅛	97⅛	6.89	6.70
9¾pc 2002	119⅛	-1/16	119⅛	108⅛	8.25	6.94
8pc 2003‡‡	108⅛xd	-1/16	109⅛	97⅛	7.41	6.95
10pc 2003	121⅛	-1/16	122⅛	109⅛	8.25	6.98

BRITISH FUNDS - Cont.

Notes	Price £	+ or -	1993 high	1993 low	Yield Int.	Yield Red.
Treas 11½pc 2001-4	128⅛	+1/16	129⅛	116⅛	9.20	7.07
Funding 3½pc '99-4	79⅛	-1/16	81⅛	67⅛	4.39	6.11
Conversion 9½pc 2004	118⅛xd	-1/16	120⅛	105⅛	8.03	7.07
Treas 6¾pc 2004	49⅛	-1/16	50⅛	47⅛	6.84	6.92
Conv 9½pc 2005	119⅛	-1/16	120⅛	105⅛	8.01	7.10
Treas 12½pc 2003-5	136⅛xd	-1/16	138⅛	124⅛	9.15	7.30
7¾pc 2006‡‡	105⅛	-1/16	106⅛	94⅛	7.36	7.10
8pc 2002-6‡‡	106	—	107⅛	94⅛	7.53	7.07
Treas 11¾pc 2003-7	129⅛	—	131⅛	118⅛	9.07	7.27
Treas 8½pc 2007‡‡	111⅛	-1/16	112⅛	97⅛	7.63	7.17
8½pc 2007 C‡‡	111⅛	-1/16	112⅛	109⅛	7.63	7.17
13½pc '04-8	144½	-1/16	146⅛	131⅛	9.34	7.30
Over Fifteen Years						
Treas 9pc 2008‡‡	116⅛	-1/8	117⅛	101⅛	7.74	7.19
8pc 2009	107⅛	-1/16	109⅛	92⅛	7.45	7.21
Conv 9pc Ln 2011‡‡	117⅛	-1/16	118⅛	100⅛	7.67	7.23
9pc 2011 B‡‡	117⅛	-1/16	118⅛	116⅛	7.66	7.23
Treas 9pc 2012‡‡	118⅛	—	119⅛	100⅛	7.62	7.22
Treas 5½pc 2008-12‡‡	85⅛	+1/16	87⅛	70⅛	6.37	6.91
Treas 8pc 2013‡‡	108¾	+1/16	109⅛	93⅛	7.39	7.21
7¾pc 2012-15‡‡	106⅛	+1/16	107⅛	89⅛	7.30	7.15
Treas 8¾pc 2017‡‡	117⅛	+1/16	118⅛	97⅛	7.48	7.21
Exch 12pc '13-'17	160⅛xd	+1/16	160⅛	125⅛	8.11	7.38
Undated						
Consols 4pc	54⅛	+1/16	54⅛	43⅛	7.40	-
War Loan 3½pc‡‡	48⅛xd	+1/16	49⅛	38⅛	7.21	-
Conv 3½pc '61 Aft.	66⅛	-1/8	67⅛	50⅛	5.29	-
Treas 3pc '66 Aft.	39½	—	40⅛	33½	7.59	-
Consols 2½pc	34⅛	—	35⅛	28⅛	7.18	-
Treas. 2½pc	33⅛	+1/8	34⅛	27⅛	7.37	-

BRITISH FUNDS - Cont.

Notes	Price £	+ or -	1993 high	1993 low	Yield (1)	Yield (2)
Index-Linked (b)						
Treas. Ipc '94 (102.9)	135½xd	-1/16	136⅛	131⅛	-	-
2pc '96 (67.9)	202⅛	-1/16	203⅛	184⅛	1.41	2.29
4⅝pc '98‡‡ (135.6)	112⅛xd	-1/8	112⅛	105⅛	1.88	2.38
2½pc '01 (78.3)	177⅛	-1/16	172⅛	158	2.67	2.52
2½pc '03 (78.8)	167⅛xd	-1/16	168⅛	155	2.74	3.03
4⅜pc '04‡‡ (135.6)	114⅛	-1/16	115⅛	106½	2.80	3.08
2pc '06 (69.5)	178⅛	-1/16	179⅛	159⅛	2.79	3.00
2½pc '09 (78.8)	161⅛xd	-1/8	162⅛	144	2.85	3.14
2½pc '11 (74.6)	169⅛	-1/8	170⅛	148⅛	3.00	3.17
2½pc '13 (89.2)	139⅛	-1/8	140⅛	122⅛	3.04	3.20
2½pc '16 (81.6)	148⅛	-1/8	151⅛	130⅛	3.09	3.23
2½pc '20 (83.0)	144⅛	-1/8	146⅛	124⅛	3.12	3.25
2½pc '24‡‡ (97.7)	121¼	-1/8	122⅛	102⅛	3.12	3.24
4⅛pc '30‡‡ (135.1)	121	-1/8	123⅛	103⅛	3.14	3.27

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for February 1993: 138.8 and for September 1993: 141.9.

OTHER FIXED INTEREST

Notes	Price £	+ or -	1993 high	1993 low	Yield Int.	Yield Red.
African Dev 11¼ 2010	133⅛	-1/8	135	115⅛	8.38	7.53
Asian Dev 10¼pc 2009	125⅛	-1/8	126⅛	108⅛	8.18	7.47
B'ham 11½pc 2012	130	—	131⅛	114	8.85	8.33
Ireland Cap 8½pc '10	109¾	—	120	95	7.75	-
9pc Cap 1996	102	—	116	97½	8.82	-
13pc '97-2	114⅛	-1/8	130	110	11.33	-
Hydro Quebec 15pc 2011	158⅛	-1/8	162⅛	139⅛	9.40	8.43
Leeds 13½pc 2006	141½	—	143⅛	126	9.54	8.37
Liverpool 3½pc Irred	41½	—	42	34	8.43	-
LCC 3pc '20 Aft.	37½	—	38	30½	8.00	-
Manchester 11½pc 2007	127½	—	129⅛	114	9.02	8.19
Met. Wtr. 3pc 'B'	72¾	—	74	63¼	4.12	8.89
N'wide Anglia 3¾pc 2021	143	—	143⅛	117½	-	3.92
4¼pc IL 2024	137¾	—	138	115½	-	3.92
Utd Mex States 16½pc 2008	149½	—	149¾	132½	11.04	-

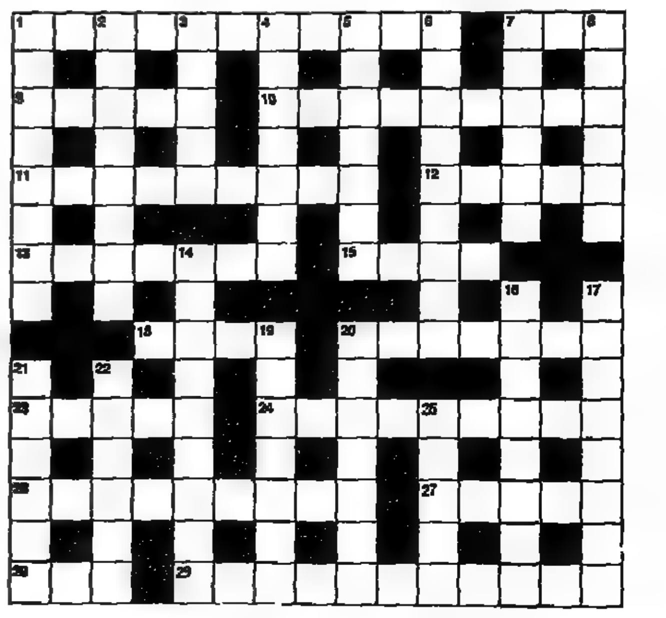
Continued on next page

CROSSWORD

No.8,304 Set by DOGBERRY

ACROSS
1 Thrashing in fun versus 29 fantasy (5,2,4)
7 Sucker turns to sticky stuff (3)
9 Compiler in bed with flying object (5)
10 Unyielding aphid with edge trimmed (3-6)
11 Great victory and archaic oath in French article (9)
12 Nick was back (5)
13 Bag of fasteners with ends reversed (7)
15 Knight turned round, about to make expedition (4)
18 Many thousand words encapsulated in single picture (4)
20 Traveller edges back and forth around Gateshead (7)
23 Proportion of one in eight holding it back (5)
24 Wealth inspiring a rabbit to hop (9)
26 Bloom of happy apprentice swamped by debts (9)
27 It's alright for a holy beast (5)
28 Head teachers (3)
29 Gladly enduring graduate society man's habit (11)

DOWN
1 Sing of officer in case (8)
2 Propose to make observation about bird (8)
3 Places where part of the game is up (5)
4 Arrangements for most of platinum wedding (7)
5 Smelly when topless, absorbing underground oil (7)
6 Plant drug adeptly (9)
7 Original streaker takes turn with singer (6)
8 Beast concealing divine confusion (6)
14 Entrancement of headless symphonist (9)
16 Deal with short response in pamphlet (8)
17 Drunken seaman in charge of mental patient (8)
19 Tea's about to go up one pound – have wine (7)
20 Snap about Little Boy Blue (7)
21 Feminine garb being worn by fearsome wife (6)
22 Narrow, or audible concomitant thereof (6)
25 Girl receives freshly stolen loincloth (5)



Solution 8,303

LEGBREAK STITCH
A O Q N R E I
MESSUAGE AUBURN
E S G L H T D
NEIGHBOR SCHOOL
T P S P R A N E
SHOESTRING
B S A O P E C S
ROUNDABOUT
E I H E T A W T
ANTHEM MARRIAGE
T C R T M N R
HEADER VILLAGER
E S N O E L O
SIESTA KNITWEAR

JOTTER PAD

LONDON SHARE SERVICE

AMERICANS

	Notes	Price £	+ or -	1993 high	low	Mkt Cap£m	Yld Gr's
Abbott Labs		19	[illegible]	[illegible]	[illegible]	15,901	2.4
Allegheny & W.	♥	489p	+14	722p	390p	285.8	4.0
Amdahl		321p	+3	591p	294p	380.6	1.0
Amer Cyanamid		[illegible]	[illegible]	38	[illegible]	3,111	3.4
Amer Express		[illegible]	[illegible]	[illegible]	[illegible]	10,226	3.2
Amer T & T		[illegible]	[illegible]	[illegible]	[illegible]	50,450	2.3
Ameritech		58	[illegible]	[illegible]	45	24,518	4.4
Anheuser-Busch		[illegible]	[illegible]	[illegible]	[illegible]	9,062	2.9
BankAmerica		[illegible]	[illegible]	[illegible]	[illegible]	10,043	3.3
Bankers NY		[illegible]	[illegible]	[illegible]	[illegible]	4,302	4.0
Bell Atlantic		[illegible]	[illegible]	[illegible]	[illegible]	18,286	4.3
BellSouth		[illegible]	[illegible]	[illegible]	[illegible]	18,060	4.3
Bethlehem Steel	♥	12	[illegible]	[illegible]	[illegible]	1,086	-
Bowater		1317p		1682p	1106p	477.2	3.0
CPC		[illegible]	[illegible]	[illegible]	28	4,941	2.7
California Engy		1194p		1478p	1086p	217.4	-
Chase Manhattan		[illegible]	[illegible]	[illegible]	[illegible]	3,443	3.7
Chrysler		[illegible]	[illegible]	39	[illegible]	10,999	1.1
Citicorp		[illegible]	[illegible]	29	[illegible]	9,047	-
Colgate-Palm		[illegible]	[illegible]	[illegible]	32	6,157	2.5
Cont'l Bank		1632p		1877p	1273p	1,649	2.4
Dana		[illegible]	[illegible]	[illegible]	[illegible]	1,773	2.8
Data General		625p	-21	851p	527p	172.5	-
Decora Inds	♥	98p		148p	98p	-	-
Dun & Brad		[illegible]	[illegible]	[illegible]	[illegible]	8,080	3.6
Eaton		[illegible]	[illegible]	[illegible]	[illegible]	2,417	2.3
Echlin		[illegible]	[illegible]	[illegible]	[illegible]	1,267	2.2
FPL		[illegible]	[illegible]	[illegible]	[illegible]	4,567	6.5
Ford Motor		[illegible]	[illegible]	[illegible]	[illegible]	20,540	2.6
Gen Elect		64	[illegible]	[illegible]	[illegible]	54,658	2.8
General Host	♥	456p	-12	723p	456p	-	5.0
Gillette		[illegible]	[illegible]	[illegible]	[illegible]	8,146	1.3
Hasbro		[illegible]	[illegible]	[illegible]	[illegible]	1,819	0.8
Honeywell		[illegible]	[illegible]	[illegible]	[illegible]	4,522	2.7
Houston Inds		[illegible]	[illegible]	[illegible]	[illegible]	4,047	6.4
Ingersoll-Rand		[illegible]	[illegible]	[illegible]	[illegible]	2,703	1.8
Lockheed		[illegible]	[illegible]	[illegible]	[illegible]	2,969	2.9
Lowe's		3396p	+22	3396p	1573p	2,477	0.6
Maxwy Technology		406p	+61	406p	127p	-	-
Merrill Lynch		[illegible]	[illegible]	[illegible]	37	9,892	1.7
Morgan (JP)		[illegible]	[illegible]	[illegible]	[illegible]	9,125	3.4

CANADIANS

BANKS

BREWERS & DISTILLERS

BUILDING MATERIALS

BUSINESS SERVICES

CHEMICALS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

ELECTRICALS

ELECTRICALS - Cont.

ELECTRICITY

ELECTRONICS

ENGINEERING-AEROSPACE

ENGINEERING-GENERAL

ENGINEERING-GENERAL - Cont.

FOOD MANUFACTURING

FOOD RETAILING

HEALTH & HOUSEHOLD

HOTELS & LEISURE

HOTELS & LEISURE - Cont.

INSURANCE BROKERS

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

INVESTMENT TRUSTS - Cont.

[illegible]

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service.

INVESTMENT COMPANIES

[illegible]

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service.

MEDIA

[illegible]

MERCHANT BANKS

[illegible]

METALS & METAL FORMING

[illegible]

MISCELLANEOUS

[illegible]

MOTORS

[illegible]

OIL & GAS

[illegible]

OIL & GAS - Cont.

[illegible]

OTHER FINANCIAL

[illegible]

OTHER INDUSTRIALS

[illegible]

PACKAGING, PAPER & PRINTING

[illegible]

PACKAGING, PAPER & PRINTING - Cont.

[illegible]

PROPERTY

[illegible]

STORES

[illegible]

STORES - Cont.

[illegible]

TELEPHONE NETWORKS

[illegible]

TEXTILES

[illegible]

TRANSPORT

[illegible]

WATER

[illegible]

SOUTH AFRICANS

[illegible]

PLANTATIONS

[illegible]

MINES

[illegible]

MINES - Cont.

[illegible]

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

□ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ).
● "Tap Stock"
* Highs and lows marked thus have been adjusted to allow for rights issues for cash
† Interim since increased or resumed
‡ Interim since reduced, passed or deferred
‡‡ Tax-free to non-residents on application
Φ Figures or report awaited
♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
♣ Free annual/interim report available, see details below
☆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
†† Not officially UK listed; dealings permitted under Rule 535(2)
# Price at time of suspension
¶ Indicated dividend yield after pending scrip and/or rights issue.
♦ Merger bid or reorganisation in progress
§ Forecast dividend yield; p/e based on earnings updated by latest interim statement.
♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT
z Dividend yield includes a special payment
E Auction basis.
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Figures based on IIMR "Headline Earnings" draft proposals.
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xR ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1235 a year for each security shown, subject to the Editor's discretion.

FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣. Ring 081 643 7181 (open 24 hours including weekends) or fax 081 770 3822, quoting the code FT7498. [If calling from outside UK, dial +44 81 643 7181 or fax +44 81 770 3822] Reports will be sent the next working day, subject to availability. If faxing please remember to state the weekly changing FT code above and also your post code.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 071-873 4378 (+44 71 873 4378, International) for more information on FT Cityline.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (✦) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (▲) - 1401 to 1700 hours; (#) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH. Tel: 071-379-0444.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Sun Alliance Unit Tst Mngmt Ltd – Contd.

Sun Life of Canada Unit Mgrs Ltd (1000)H

Sun Life Trust Mngmt Ltd (1200)H

Murray Johnstone UT Mngmt

NatWest Investment Management Ltd

PDFM Unit Managers Ltd

Barclays Life Assur. Co Ltd

Colonial Mutual Group – Contd.

General Portfolio Life Insce Plc – Contd.

Laurentian Life plc – Contd.

Manchester Unity Assurance

Pearl Assurance – Contd.

INSURANCES

AXA Equity & Law Life Assce

OTHER UK UNIT TRUSTS

[illegible]

FT MANAGED FUNDS SERVICE

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J Rothschild Assurance PLC
J Rothschild House, Dollar Street, Cirencester
Telephone: 0285 640302 Dealing: 041-307 6300

Life Funds	Bid Price	Offer Price	+ or -	Yield Gross
Income Distribution	109.6	115.4	+0.20	–
JRA/M&G Managed	136.8	144.1	+0.40	–
JRA Scottish Amicable Mngd.	127.6	134.4	–	–
JRA/St James's Place Mngd	149.2	157.1	-0.30	–
Deposit	102.6	108.1	–	–
Far East	158.2	167.6	+2.30	–
Gilts	122.9	129.4	–	–
Greater European	133.8	140.9	-0.10	–
North American	149.9	157.9	–	–
UK Equity	129.1	135.9	-0.10	–
Pension Funds				
JRA/M&G Managed cap	136.3	143.5	+0.50	–
JRA M&G Managed acc	144.7	152.4	+0.50	–
JRA/Scottish Amicable Mngd cap	127.4	134.2	–	–
JRA/Scottish Amicable Mngd acc	135.3	142.5	–	–
JRA/St James's Pl Mngd cap	162.7	171.3	-0.30	–
JRA/St James's Pl Mngd Acc	172.9	182.0	-0.30	–
Deposit cap	107.2	107.1	–	–
Deposit acc	108.1	113.9	–	–
Far East cap	159.6	168.0	+2.80	–
Far East acc	169.5	178.5	+3.00	–
Gilts cap	118.6	124.9	–	–
Gilts acc	125.9	132.6	–	–
Greater European cap	136.2	143.4	-0.10	–
Greater European acc	144.6	152.3	-0.10	–
North American cap	150.3	158.7	+0.30	–
North American acc	159.6	168.1	+0.30	–
UK Equity cap	128.4	135.2	-0.10	–
UK Equity acc	136.4	143.6	-0.10	–

Royal Heritage Life Assurance Ltd
Peterborough Business Pk, PE2 6GG 0733 390000

	Bid Price	Offer Price	+ or -	Yield Gross
Multi Grwth		735.0	–	–
Multi Grwth A Cap	462.8	487.1	–	–
Multi Grwth A Accum	735.1	773.8	–	–
Op Prop	429.7	452.4	–	–
Op Equity	863.9	909.3	–	–
Op High Yld	584.8	615.6	–	–
Op Man	757.8	797.5	-0.6	–
Op Dep	379.9	399.9	–	–
Op Inc Dist	223.6	240.7	+0.2	6.174
Op Int Man	408.1	430.2	+0.7	–
Op Emerging Co's	442.0	465.3	-0.6	–
Op Money	105.9	111.5	–	–
European	123.3	129.9	-0.8	–
Pension Funds				
Property Ser B	813.7	856.6	+0.1	–
Equity Ser B	2784.9	2931.5	-3.7	–
Fixed Interest Ser B	1103.8	1161.9	-0.5	–

[illegible]

Scottish Provident Group
6 St Andrew Sq, Edinburgh 031-556 2852
Scottish Provident Institution Funds

Life Funds	Bid Price	Offer Price	+ or -	Yield Gross
With-Profits	106.6	112.3	+0.1	–
Managed	257.5	271.1	-0.2	–
Blue Chip	139.3	146.8	+0.3	–
Equity	369.9	394.2	–	–
International	279.6	294.5	+2.3	–
Property	201.1	211.8	–	–
Fixed Interest	221.8	233.5	+0.2	–
Index-linked	184.2	194.0	-0.8	–
Cash	181.5	191.2	–	–
Money Market	119.4	125.8	–	–
American Performance	182.7	192.4	+0.4	–
Europe Performance	121.0	127.4	-0.6	–
Far East Performance	126.7	133.4	+0.9	–
Worldwide Performance	142.1	149.7	+1.0	–
Pension Funds				
With-Profits Ord	200.0	210.6	+0.1	–
Managed Ord	318.8	335.6	-0.4	–
Blue Chip Ord	146.6	154.6	+0.5	–
Equity Ord	334.7	352.4	-0.8	–
International Ord	343.1	361.3	+2.0	–
Property Ord	254.8	268.1	–	–
Fixed Interest Ord	302.9	318.9	-0.1	–
Index-linked Ord	201.7	212.5	-0.6	–
Cash Ord	252.8	265.9	+0.1	–
Building Society Ord	191.2	201.4	+0.1	–
American Performance Ord	205.0	215.9	+0.4	–
Europe Performance Ord	116.0	122.2	-0.9	–
Far East Performance Ord	144.9	152.6	+1.2	–
Worldwide Performance Ord	157.0	165.4	+1.2	–

Scottish Provident Assurance Ltd Fund
(Formerly Prolific Life & Pensions Ltd)

Life Funds	Bid Price	Offer Price	+ or -	Yield Gross
Adventurous Mngd	194.2	208.6	+0.2	–
Balanced Grwth Mngd	768.1	817.2	+0.3	–
Cautious Mngd	142.3	151.4	–	–
Fixed Interest	454.7	479.2	+0.7	–
Gilt Fund 20	477.9	508.5	+0.1	–
Equity	917.9	976.6	+3.7	–
International	413.0	439.4	+3.0	–
Property	227.0	241.5	–	–
Cash	327.5	345.2	–	–
Special Situations	819.6	858.1	-1.0	–
High Income	673.3	718.3	-1.6	–
Extra Income	363.2	386.4	-1.1	–
Convertible & Gilt	177.7	189.1	-0.3	–
Pref & Fixed Interest	125.1	133.1	–	–
Recovery	139.5	147.4	-0.2	–

[illegible]

MANAGEMENT SERVICES

[illegible]

OFFSHORE INSURANCES

[illegible]

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

[illegible]

CANADA (SIB RECOGNISED)

[illegible]

GUERNSEY (SIB RECOGNISED)

[illegible]

GUERNSEY (REGULATED)(**)

[illegible]

IRELAND (SIB RECOGNISED)

[illegible]

ISLE OF MAN (SIB RECOGNISED)

[illegible]

ISLE OF MAN (REGULATED)(**)

[illegible]

JERSEY (SIB RECOGNISED)

[illegible]

IRELAND (REGULATED)(**)

[illegible]

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

FT MANAGED FUNDS SERVICE

Midland Bank Fund Managers (Jersey) Ltd

Royal Bank of Canada (Jsy) Fd Mgt Ltd

TSB Trust Funds (CI)

JERSEY (REGULATED)(**)

Barclays Intl Funds

Citibank (CI) Ltd

Citibank N.A.

Fleming Group

Foreign & Colonial Mgmt (Jersey) Ltd

Guinness Flight Fd Mgrs (Jersey) Ltd

John Govett Management (Jersey) Ltd

Lloyds Bank Trust Co (CI) Mngrs

Perpetual UT Mngrs (Jersey) Ltd

The Portugal Fund Ltd

Royal Bank of Canada Intl Fd Mgt Ltd

Royal Bk of Scotland Fd Mngrs (Jersey) Ltd

Schroder Mngt Services (Jersey) Ltd

TSB Trust Funds (CI)

Warburg Asset Management Jersey Ltd

Worldinvest (Management) Jersey Ltd

LUXEMBOURG (SIB RECOGNISED)

Abtrust Fund Mngrs Luxembourg SA (u)

BAII International Fund

Bank Von Ernst & Cie AG

Banque Scandinave a Luxembourg SA

Barclays Diversified Portfolio

Barclays Inv Funds (Luxembourg)

Barclays Internat. Bond Fund

Credit Suisse

Fidelity Funds (u)

Fleming Group (u)

Foreign & Colonial Emerging Mkts Ltd

Gartmore Luxembourg SA (u)

Hypo Foreign & Colonial Port Fd Sicav (u)

INVESCO International Limited (u)

Jupiter Tyndall Global Fund

Liberty ALL-STAR World Portfolio Sicav Fd(u)

Lloyds Bank Luxembourg

Midland Internatl Circuit Fund SICAV(u)

Prudential-Bache Dynamic Fund Ltd

LUXEMBOURG (REGULATED)(**)

Asian International Umbrella Fund (u)

Alliance Capital

Asian Development Equity Fund

CIFS Umbrella

Capel-Cure Myers Intnl Fd Sicav (u)

Citicorp Investment Mgnt (Luxembourg) SA

Credit Commercial de France

Credit Suisse

Daiwa Japan Small Equity Fd (u)

Dean Witter World Wide Invest. Tst SA

The Dragon Fund Sicav

Espirito Santo Investment Mgmt (SICAV)

Fidelity Intl Inv Mngt (Luxembourg) SA

Fidelity Investment (u)

Fleming Group

Foreign & Colonial Emerging Markets Ltd

Gartmore Luxembourg SA

H.C.M. HYPO Capital Mgt Luxembourg SA

International Bond Trust

INVESCO International Ltd

Investissements Atlantiques SA

Leveraged Selection Fund

Lloyds Bank Luxembourg

Merrill Lynch Asset Management

Morgan Stanley Sicav

Mediterranean Fund

Nomura International

Paribas

Rothschild Management Co Ltd

S.G. Warburg Asset Mngt Lux SA (u)

Scottish Equitable Intl Fund SICAV (u)

Sun Life Global Management Ltd

Swiss Bank Corp

Worldwide Investment Services (Lux) SA (u)

SWITZERLAND (SIB RECOGNISED)

B.I.L. Bond Investments AG

OTHER OFFSHORE FUNDS

ATSP Management Ltd

Abtrust Fund Mngrs (Guernsey) Ltd

Aetna Malaysian Growth Fd (Cayman) Ltd

Alliance Capital

Allied Dunbar International Fund Mngrs (1400)x

Alpha Fund Management Ltd

Asia Convertibles & Income Fd (Cayman)

BZW Investment Management (HK) Ltd

Baring International Group

Barclays Eurofutures Fund Ltd

Bermuda Capital Company Ltd

Brazilian Inv Fund

Bridge Management Ltd

Buchanan Fund Ltd

CA Securities Investment Fund Mnmgt Ltd

Capital International

China Investment Company

Citizens Investment Trust Mgt Co Ltd

Columbus Asset Management Ltd

Connaught Investments Ltd (Hong Kong)

Credit Lyonnais Intl Asset Mgmt (HK) Ltd

Daiwa International Capital Mgmt

Dresdner Bank Investment Trust Co Ltd

Edmond de Rothschild Group

Fidelity Investments

Frankfurt Trust Investment-GmbH

Goldman Sachs

Group One International Ltd

Guinness Flight International Fd Ltd

Hill Samuel Investment Mngt Intl SA

Jardine Fleming Unit Trusts Ltd

The Japan Fund N.V.

John Govett Mngt (Guernsey) Ltd

Lazard Brothers Sports Growth Fund

Lehman Brothers

Lloyds Bank Intl Fund

London Portfolio Services Group

Malaysia Capital Fund Ltd

Malaysia Growth Fund

Merrill Lynch Asset Management

Morgan Stanley Emerging Market Fund

NICAM Asia Pacific Umbrella Fund

Nomura Asian Infrastructure Fd SICAV

Nomura Rosenberg Alpha Fund Mark II

Pacific Basin Growth Fund

Pacific Growth Fund

Pakistan Fund

Prolific International Ltd

Rothschild Asset Management (CI)

Royal Trust Intl Money Market Fund

Sabre Futures Fund

Safra Republic Holding

Schroder Investment Management Limited

Schroders Asia Limited

Scudder, Stevens & Clark Inc

Sterling Fund

Strome Offshore Limited

Taiwan Fund

Templeton Galbraith & Hansberger Ltd

The Thai Development Capital Fd

Thai Prime Fund Limited

Thornton Investment Management Ltd

Tyndall International (Bermuda) Ltd

Ultra Futures Fund Ltd

Warburg Asset Management

Wardley Investment Services Ltd

Wells Fargo U.S. IT Fund

Worldwide Limited

Yamaichi Capital Mngmt (Guernsey) Ltd

MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGE

Yen firms against dollar

Foreign currency trading all but ground to a halt as markets in US, Canada, France and Belgium remained closed for national holidays, *writes Conner Middelmann.*

Most currencies languished in directionless trading, and with many US market participants expected to take a four-day weekend, today's session could be similarly uninspired.

The Japanese yen saw most of the action yesterday and firmed markedly against the dollar, which closed in London at Y106.45, down from Y107.20 on Wednesday. The dollar's breach of key support at Y106.70/80 quickly sent it sliding as low as Y106.25 before recouping some of those losses.

According to Mr Chris Furness, senior currency analyst at the market analysis firm IDEA, there is intermediate support for the dollar at Y106.20, with strong support at Y105.20.

"At that point we would expect to see some action from the Bank of Japan," he said. The Bank of Japan and the US Federal reserve were rumored to be intervening in support of the dollar overnight, but most traders said they saw no evidence of such actions.

The dollar firmed against the D-Mark and closed at DM1.6915, up from its intra-day low of DM1.6855 but little changed from Wednesday's close of DM1.6920. The next impetus for the dollar could come from the release of October US retail sales at 1330 GMT today, with most traders calling for a month-on-month 1.2 per cent gain.

One reason for the D-Mark's softer tone were statements from Bundesbank director and central bank council member Otmar Issing, who said in a magazine interview that the Bundesbank will explore its scope for future rate cuts by "probing with small steps". Issing also said that further easing hinges on developments in Germany's inflation rate and in its M3 money supply growth measure, and warned that risks to German price stability are not yet fully subdued.

Also damping the German currency was the softer call money rate, which eased to around 6.35 per cent from 6.45 per cent on Wednesday amid ample liquidity in the banking system.

Sterling extended Wednesday's recovery and briefly breached the psychologically important DM2.50 barrier. However, it ran out of steam at that level and ended the day at DM2.5000, up from DM2.4975 on Wednesday.

"In these thin markets almost any trade will move the currency, but that doesn't necessarily mean the move is sustainable," said a London currency trader, who expects sterling to remain locked in a narrow range until the November 30 Budget.

Traders today will be looking to the publication of UK September industrial production numbers to provide evidence of the latest state of the UK recovery. Information in recent days has suggested that it is patchy and uneven.

£ IN NEW YORK

Nov 11	Latest	Previous Close
£ Spot	1.4780-1.4770	1.4785-1.4795
1 month	0.33-0.32pm	0.35-0.34pm
3 months	0.83-0.82pm	0.84-0.83pm
12 months	2.52-2.46pm	2.47-2.40pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Nov 11	Previous
8.30 am	80.4	80.3
9.00 am	80.4	80.3
10.00 am	80.4	80.2
11.00 am	80.5	80.2
Noon	80.5	80.2
1.00 pm	80.6	80.1
2.00 pm	80.5	80.3
3.00 pm	80.6	80.2
4.00 pm	80.6	80.4

CURRENCY RATES

Nov 11	Bank § rate %	Special * Drawing Rights	European † Currency Unit
Sterling	-	0.945303	0.767160
U.S Dollar	3.00	1.39103	1.13371
Canadian $	4.65	1.81963	1.48824
Austrian Sch	5.25	16.5571	13.4707
Belgian Franc	6.00	50.4630	41.0743
Danish Krone	7.25	9.22431	7.64460
D-Mark	5.75	2.35348	1.91551
Dutch Guilder	5.25	2.64854	2.15053
French Franc	-	8.22151	6.67936
Italian Lira	8.5	2301.62	1899.85
Japanese Yen	1.75	149.411	121.250
Norway Krone	-	10.2524	8.34489
Spanish Peseta	-	187.301	154.627
Swedish Krona	11.50	11.4479	9.34608
Swiss Franc	4.25	2.07369	1.69147
Greek Drach	21	N/A	274.573
Irish Punt	-	N/A	0.806508

§ Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland. † European Commission Calculations. * All SDR rates are for Nov 10

CURRENCY MOVEMENTS

Nov 11	Bank of England Index	Morgan ** Guaranty Changes %
Sterling	80.6	-29.02
U.S Dollar	66.2	-11.10
Canadian Dollar	92.0	-9.65
Austrian Schilling	114.8	+18.74
Belgian Franc	111.0	-2.11
Danish Krone	114.1	+6.74
D-Mark	124.9	+32.63
Swiss Franc	113.6	+23.15
Dutch Guilder	119.7	+22.07
French Franc	106.6	-8.78
Lira	77.4	-38.45
Yen	183.6	+123.33
Peseta	87.1	-32.97

Morgan Guaranty changes: average 1980-1982=100 Bank of England (Base Average 1985=100) **Rates are for Nov 10

OTHER CURRENCIES

Nov 11	£	$
Argentina	1.4775 - 1.4780	0.9990 - 0.9995
Australia	2.2325 - 2.2345	1.5095 - 1.5110
Brazil	290.906 - 290.919	196.690 - 196.698
Finland	8.5510 - 8.5810	5.7916 - 5.8015
Greece	357.550 - 358.290	241.750 - 242.250
Hong Kong	11.4275 - 11.4290	7.7265 - 7.7275
Iran	2481.75 - 2484.75	1678.00 - 1680.00
Korea(Sth)	1190.60 - 1191.50	805.000 - 805.600
Kuwait	0.44145 - 0.44225	0.29850 - 0.29900
Luxembourg	53.25 - 53.35	36.05 - 36.15
Malaysia	3.7680 - 3.7675	2.5465 - 2.5475
Mexico	4.7035 - 4.7330	3.1900 - 3.2000
N.Zealand	2.7385 - 2.7400	1.8500 - 1.8525
Saudi Ar	5.5505 - 5.5535	3.7516 - 3.7525
Singapore	2.3525 - 2.3545	1.5905 - 1.5930
S.Af (Cm)	4.9865 - 4.9725	3.3580 - 3.3630
S.Af (Fn)	6.3745 - 6.3885	4.3100 - 4.3200
Taiwan	38.20 - 38.35	25.85 - 25.90
U.A.E.	5.4330 - 5.4325	3.6725 - 3.6735

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Nov 11	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator‡
Dutch Guilder	2.19672	2.15053	-2.10	6.00	-
D-Mark	1.94964	1.91551	-1.75	4.63	-
Irish Punt	0.808628	0.806508	-0.26	3.06	2
Spanish Peseta	154.250	154.627	0.24	2.54	-2
Belgian Franc	40.2123	41.0743	2.14	0.64	-18
French Franc	6.53883	6.67936	2.16	0.63	-18
Portuguese Escudo	192.854	197.050	[illegible]	0.61	-15
Danish Krone	7.43679	7.64460	2.79	0.00	-19

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
‡Indicative values only. Divergence indicators are based on 15% band limitations but do not show the 2.25% band between the Dutch Guilder and D-Mark.

POUND SPOT - FORWARD AGAINST THE POUND

Nov 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.4740 - 1.4810	1.4780 - 1.4790	0.34-0.32cpm	2.68	0.83-0.80pm	2.20
Canada	1.9345 - 1.9465	1.9400 - 1.9410	[illegible]	1.89	0.73-0.59pm	1.38
Netherlands	2.7970 - 2.8100	2.8000 - 2.8100	par-¼cdis	-0.53	¼-½dis	-0.53
Belgium	53.25 - 53.70	53.25 - 53.35	12-17cdis	-3.26	36-45dis	-3.04
Denmark	9.9410 - 9.9775	9.9525 - 9.9625	2-3oredis	-3.01	5¾-7¼dis	-2.60
Ireland	1.0495 - 1.0545	1.0510 - 1.0520	0.03-0.06cdis	-0.51	0.15-0.21dis	-0.68
Germany	2.4930 - 2.5025	2.4975 - 2.5025	⅛-¼pfdis	-0.90	⅛-½dis	-0.70
Portugal	255.50 - 257.60	256.60 - 257.60	28-163cdis	-5.81	291-407dis	-6.43
Spain	200.25 - 202.00	201.70 - 202.00	60-74cdis	-7.98	194-211dis	-4.01
Italy	2431.50 - 2449.75	2443.75 - 2449.75	5-7lirdis	-2.94	19-21dis	-3.27
Norway	10.8125 - 10.8900	10.8575 - 10.8675	1-¼orepm	0.89	1¼-1¼pm	0.48
France	8.6845 - 8.7245	8.7075 - 8.7175	¼-1¼cdis	-1.29	2¾-3dis	-1.23
Sweden	12.1210 - 12.2075	12.1925 - 12.2025	1¼-2½oredis	-1.84	4½-6dis	-1.72
Japan	157.00 - 159.10	157.00 - 158.00	1⅛-⅞ypm	3.33	1½-1¼pm	3.33
Austria	17.52 - 17.63	17.54 - 17.57	½-1½grodis	-0.63	2½-4½dis	0.81
Switzerland	2.1990 - 2.2085	2.2075 - 2.2175	¼-⅛cpm	1.02	¼-½pm	1.02
Ecu	1.3020 - 1.3070	1.3055 - 1.3065	0.13-0.15cdis	-1.42	0.44-0.53dis	-1.47

Commercial rates taken towards the end of London trading. Six-month forward dollar 1.50-1.46pm 12 Month 2.43-2.36pm.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Nov 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4740 - 1.4810	1.4780 - 1.4790	0.34-0.32cpm	2.68	0.83-0.80pm	2.20
Ireland†	1.4010 - 1.4095	1.4040 - 1.4050	0.39-0.32cpm	3.39	1.05-1.01pm	2.93
Canada	1.3075 - 1.3180	1.3145 - 1.3155	0.11-0.13cdis	-1.10	0.27-0.32dis	-0.91
Netherlands	1.8915 - 1.8990	1.8965 - 1.8975	0.46-0.49cdis	-3.00	1.25-1.30dis	-2.69
Belgium	36.05 - 36.25	36.05 - 36.15	19.00-20.00cdis	-6.32	47.00-51.00dis	-5.43
Denmark	6.7200 - 6.7515	6.7325 - 6.7375	2.80-3.05oredis	-5.21	7.60-8.05dis	-4.65
Germany	1.6855 - 1.6920	1.6910 - 1.6920	0.46-0.47pfdis	[illegible]	1.24-1.26dis	-2.96
Portugal	172.75 - 174.08	173.95 - 173.95	125-130cdis	-8.80	362-367dis	-8.37
Spain	135.50 - 136.70	136.55 - 136.65	73-76cdis	-6.54	207-215dis	-6.18
Italy	1643.00 - 1656.75	1656.25 - 1656.75	7.70-8.00lirdis	-5.76	22.50-23.20dis	-5.52
Norway	7.2430 - 7.3300	7.3450 - 7.3500	1.35-1.60oredis	-2.41	3.55-3.94dis	-2.04
France	5.8725 - 5.9010	5.8900 - 5.8950	1.85-1.95cdis	-3.90	4.97-5.12dis	-3.42
Sweden	8.1900 - 8.2835	8.2475 - 8.2525	3.05-3.35oredis	-4.65	8.00-8.40dis	-3.98
Japan	106.25 - 107.15	106.40 - 106.50	0.06-0.05ypm	0.62	0.30-0.29pm	1.11
Austria	11.8550 - 11.8880	11.8800 - 11.8850	3.15-3.40grodis	-3.31	8.25-9.10dis	-2.92
Switzerland	1.4865 - 1.4965	1.4955 - 1.4965	0.18-0.21cdis	-1.56	[illegible]	-1.22
Ecu†	1.1300 - 1.1345	1.1315 - 1.1325	0.40-0.38cpm	4.13	1.05-1.02pm	3.66

Commercial rates taken towards the end of London trading. † UK, Ireland and Ecu are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Nov 11	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US Dollar	3 - 2⅞	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dutch Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swiss Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D-Mark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc	7 - 6⅞	7 - 6⅞	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira	10 - 8	[illegible]	9 - 8½	9 - 8½	[illegible]	[illegible]
Belgian Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Danish Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asian $Sing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spanish Peseta	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portuguese Esc.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Long term Eurodollars: two years [illegible] per cent; three years [illegible] per cent; four years [illegible] per cent; five years [illegible] per cent nominal. Short term rates are call for US Dollar and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Nov 11	£	$	DM	Yen	F Fr.	S Fr.	N Fl.	Lira	C$	B Fr.	Pta.	Ecu
£	1	1.479	2.500	167.5	8.713	2.213	2.805	2449	1.941	53.30	201.9	1.306
$	0.676	1	1.690	108.5	5.891	1.496	1.897	1656	1.312	36.04	136.5	0.883
DM	0.400	0.592	1	63.00	3.485	0.886	1.122	979.6	0.776	21.32	80.76	0.522
YEN	6.349	9.390	15.87	1000.	65.32	14.05	17.81	15649	12.32	338.4	1282	8.292
F Fr.	1.148	1.697	2.869	180.8	10.	2.540	3.219	2811	2.228	61.17	231.7	1.499
S Fr.	0.452	0.668	1.130	71.17	3.937	1	1.268	1107	0.877	24.08	91.23	0.590
N Fl.	0.357	0.527	0.891	56.15	3.106	0.789	1	873.1	0.692	19.00	71.98	0.466
Lira	0.408	0.604	1.021	64.31	3.558	0.904	1.145	1000.	0.793	21.76	82.44	0.533
C $	0.515	0.762	1.288	81.14	4.489	1.140	1.445	1262	1	27.46	104.0	0.673
B Fr.	1.876	2.775	4.690	296.5	16.35	4.152	5.263	4596	3.642	100	378.8	2.450
Pta	0.495	0.733	1.238	78.01	4.316	1.096	1.389	1213	0.961	26.40	100.	0.647
Ecu	0.766	1.132	1.914	120.6	6.672	1.694	2.148	1875	1.486	40.81	154.6	1.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100: Peseta per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS; LIFFE EURO SWISS FRANC OPTIONS; LIFFE BUND FUTURES OPTIONS; LIFFE EUROMARK OPTIONS; LIFFE ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS; LIFFE SHORT STERLING OPTIONS

LONDON (LIFFE)

9% NOTIONAL BRITISH GILT; 6% NOTIONAL GERMAN GOVT. BUND; 6% NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL); 6% NOTIONAL LONG TERM JAPANESE GOVT. BOND; 12% NOTIONAL ITALIAN GOVT. BOND (BTP); 10% NOTIONAL SPANISH GOVT. BOND (BONOS); THREE MONTH STERLING; THREE MONTH EURODOLLAR; THREE MONTH EUROMARK; THREE MONTH ECU; THREE MONTH EURO SWISS FRANC; THREE MONTH EUROLIRA INT. RATE; FT-SE 100 INDEX

* Contracts traded on APT. Closing prices shown.

CHICAGO

U.S. TREASURY BONDS (CBT) 8%; U.S. TREASURY BILLS (IMM); DEUTSCHE MARK (IMM); JAPANESE YEN (IMM); SWISS FRANC (IMM); BRITISH POUND (IMM); THREE-MONTH EURODOLLAR (IMM); STANDARD & POORS 500 INDEX; PHILADELPHIA SE £/$ OPTIONS

PARIS

7 to 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES (Nov 10); THREE-MONTH PIBOR FUTURES (MATIF) (Paris interbank offered rate) (Nov 10); CAC-40 FUTURES (MATIF) Stock Index (Nov 10); ECU BOND (MATIF) (Nov 10)

OPTION ON LONG-TERM FRENCH BOND (MATIF) (Nov 10)

Strike	Calls December	Calls March	Calls June	Puts December	Puts March	Puts June
123	0.60	-	-	0.18	0.15	-
124	0.15	-	-	0.71	0.28	-
125	0.03	-	-	1.58	0.44	-
126	-	-	-	-	0.71	-
127	-	1.52	-	-	1.04	-
Open Int	199,028	93,513	780	178,257	80,977	650

Estimated volume 33,382 † Total Open Interest 553,415
† All Yield & Open Interest figures are for the previous day.

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.4785	1.4752	1.4704	1.4638	1.4542

BASE LENDING RATES

	%		%		%
Adam & Company	6	Duncan Lawrie	6	●Rea Brothers	6
Allied Trust Bank	6	Exeter Bank Limited	7	* Roxburghe Bank Ltd	6
AIB Bank	6	Financial & Gen Bank	7	* (in administration)	
●Henry Ansbacher	6	●Robert Fleming & Co	6	Royal Bk of Scotland	6
Bank of Baroda	6	Girobank	6	●Smith & Williamson Secs.	6
Banco Bilbao Vizcaya	6	●Guinness Mahon	6	Standard Chartered	6
Bank of Cyprus	6	Habib Bank AG Zurich	6	TSB	6
Bank of Ireland	6	●Hambros Bank	6	●United Bk of Kuwait	6
Bank of India	6	Heritable & Gen Inv Bk.	6	Unity Trust Bank Plc	6
Bank of Scotland	6	●Hill Samuel	6	Western Trust	6
Barclays Bank	6	C. Hoare & Co	6	Whiteaway Laidlaw	6
Brit Bk of Mid East	6	Hongkong & Shanghai	6	Wimbledon & Sth West	7
●Brown Shipley	6	Julian Hodge Bank	6	Yorkshire Bank	6
CL Bank Nederland	6	●Leopold Joseph & Sons	6		
Citibank NA	6	Lloyds Bank	6		
City Merchants Bank	6	Meghraj Bank Ltd	6		
Clydesdale Bank	6	Midland Bank	6		
The Co-operative Bank	6	* Mount Banking	6		
Coutts & Co	6	* (in administration)			
Credit Lyonnais	6	NatWestminster	6		
Cyprus Popular Bank	6				

● Members of British Merchant Banking & Securities Houses Association

MONEY MARKETS

Call rate eases

Money market activity in Europe was subdued yesterday by national holidays in France, Belgium and the US, leaving rates stable on thin volume, *writes Conner Middelmann.*

The rate for D-Mark overnight money slipped further to around 6.35 per cent from Wednesday's 6.45 per cent on comfortable liquidity conditions in the banking system.

UK clearing bank base lending rate 6 per cent from January 26, 1993

Banks' ample reserves at the central bank and Wednesday's liquidity injection at the Bundesbank's repo allocation softened the call rate. Again, banks made no borrowings at the Bundesbank's 6.75 per cent Lombard facility, reflecting the abundant supply of liquidity. The December three-month Euromark futures contract rose 0.02 point to 93.86.

However, some traders noted that Friday's payment of some DM7bn for the new Treuhandanstalt bonds and next week's tax outflows could drive the call rate slightly higher.

Due to a German national holiday on Wednesday, next week's repos will be a day earlier than usual, with the Bundesbank calling for bids on Monday and allocating the funds on Tuesday.

Elsewhere, the Austrian National Bank said it will lower its GOMEX money market intervention rate by 10 basis points to 6.1 per cent effective on Friday.

The Bank of France at its repo operation today is expected to leave its 6.45 per cent intervention rate unchanged. Dealers do not expect it to ease rates before Germany and the Netherlands have moved.

In the Netherlands, the call rate continued to trade below the 6.10 per cent special advances rate at 6.00 per cent, reflecting ample money-market liquidity following recent generous market operations by the central bank. This has many dealers expecting another near-term cut in the advances rate.

Another uneventful day in the sterling money market left rates broadly unchanged from the previous sessions. According to one money dealer, some market participants have been scaling down their hopes for a substantial base rate cut accompanying the November 30 Budget. The December short sterling futures contract eased 0.05 point to 94.41.

The Bank of England announced a shortage of £1.4bn which it later revised to £1.45bn.

FT LONDON INTERBANK FIXING

(11.00 a.m. Nov.11) 3 months US dollars		6 months US Dollars	
bid 3⅜	offer 3½	bid 3⅜	offer 3½

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK — Treasury Bills and Bonds

4pm (Nov 10)

Prime rate	6	One month	3.09	Three year	4.52
Broker loan rate	5	Two month	3.26	Five year	5.07
Fed.funds	3 1/16	Three month	3.19	Seven year	5.29
Fed.funds at intervention	3 1/16	Six month	3.38	10-year	5.69
		One year	3.53	30-year	6.21
		Two year	4.16		

Nov 11	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	6.25-6.40	6.35-6.45	6.30-6.40	6.25-6.35	5.95-6.05	6.75
Paris	6 11/16-6 13/16	6.79-6.94	-	6.66-6.81	-	6.45
Zurich	4⅜-4⅝	4½-4⅝	-	4½-4⅝	-	-
Amsterdam	6.12-6.18	6.12-6.18	-	6.07-6.13	-	-
Tokyo	2½-2 7/16	-	-	-	-	-
Milan	8 13/16-9⅛	8 13/16-9	-	9-9 1/16	-	-
Brussels	9 3/16-9 7/16	9-9⅛	-	8⅝-8¾	-	-
Dublin	6¼-6⅜	6¼-6⅜	6¼-6⅜	6⅜-6½	6-6⅛	-

LONDON MONEY RATES

Nov 11	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	7½	5⅞	5 17/32	5 11/16	5 9/16	5 9/16
Interbank Bid	5½	5⅝	5 15/32	5 9/16	5 7/16	5 7/16
Sterling CDs	-	-	5 7/16	5 7/16	5 13/32	5 7/16
Local Authority Deps.	6	5¾	5¾	5⅝	5 7/16	5 7/16
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	6½	5¾	-	-	-	-
Company Deposits	-	-	-	-	-	-
Finance House Deposits	-	-	5¾	5⅝	5½	5 7/16
Treasury Bills (Buy)	-	-	5 9/32	5¼	5⅛	-
Bank Bills (Buy)	-	-	5 13/32	5 7/16	5 13/32	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	2.98	3.17	3.17	3.46
SDR Linked Dep. Offer	-	-	4⅛	4 3/16	4 3/16	4
SDR Linked Dep. Bid	-	-	4	4 1/16	3 15/16	3⅞
ECU Linked Dep. Offer	-	-	7¼	7⅛	6 13/16	6⅞
ECU Linked Dep. Bid	-	-	7⅛	6⅞	6 11/16	6½

Treasury Bills (sell); one-month 5 1/16 per cent; three months 5 per cent; six months 5 per cent; Bank Bills (sell); one-month 5 13/32 per cent; three months 5 13/32 per cent; Treasury Bills; Average tender rate of discount 5.0037 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day October 29, 1993. Agreed rates for period Nov 24, 1993 to Dec 25, 1993 Schemes II & III: 7.06 p.c. Reference rate for period Oct 1, 1993 to Oct 29, 1993, Scheme IV&V: 5.820 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 6pc from November 1, 1993. Bank Deposit Rate for sums at 7 days notice 5⅜ p.c. Certificates of Tax Deposit (Series 8); Deposit £100,000 and over held under one month 2¾ p.c.; one-three months 5¼ p.c.; three-six months 5 p.c.; six-nine months 4¾ p.c.; nine-twelve months 4½ p.c.; Under £100,000 2¾ p.c. from Jan.27, 1993. Deposits withdrawn for cash 1¼p.c.

MONEY MARKET FUNDS

Money Market Trust Funds

Money Market Bank Accounts

WORLD STOCK MARKETS

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

DENMARK

[illegible]

FINLAND

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

ITALY

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

SOUTH AFRICA

[illegible]

JAPAN

[illegible]

AUSTRALIA

[illegible]

HONG KONG

[illegible]

MALAYSIA

[illegible]

SINGAPORE

[illegible]

CANADA

TORONTO

4 pm close November 11

Quotations in cents unless marked $

[illegible]

Total Sales 41,704,778 shares

MONTREAL

4 pm close November 11

[illegible]

INDICES

NEW YORK

DOW JONES

	Nov 11	Nov 10	Nov 9	Nov 8	1993 HIGH	1993 LOW	Since compilation HIGH	Since compilation LOW
Industrials	3663.55	3640.07	3647.90	3643.43	3697.64 (2/11)	3241.95 (20/1)	3697.64 (2/11/93)	41.22 (2/7/32)
Home Bonds	108.97	108.64	109.00	108.59	109.77 (18/10)	103.49 (11/1)	109.77 (18/10/93)	54.99 (1/10/81)
Transport	1741.39	1725.38	1727.07	1717.67	1742.24 (1/11)	1463.84 (4/1)	1742.24 (1/11/93)	12.32 (8/7/32)
Utilities	225.88	225.09	227.13	227.26	256.46 (31/8)	217.14 (8/1)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's High 3700.43 (3683.39) Low 3638.40 (3618.60) (Theoretical)
Day's High 3673.79 (3663.65) Low 3658.80 (3631.97) (Actual)

STANDARD AND POOR'S

	Nov 11	Nov 10	Nov 9	Nov 8	1993 HIGH	1993 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	463.72	460.33	460.21	459.57	469.50 (15/10)	429.05 (8/1)	469.50 (15/10/93)	4.40 (1/6/32)
Industrials¶	535.39	530.47	530.33	528.33	537.80 (2/11)	496.46 (26/4)	537.80 (2/11/93)	3.62 (21/6/32)
Financial	44.05	44.02	43.76	43.56	48.40 (29/9)	38.90 (8/1)	48.40 (29/9/93)	8.64 (1/10/74)
NYSE Composite	256.57	254.97	254.72	254.20	260.48 (15/10)	236.21 (8/1)	260.48 (15/10/93)	4.46 (28/4/42)
Amex Mkt. Value	476.70	476.02	476.80	475.33	484.28 (2/11)	395.84 (8/1)	484.28 (2/11/93)	29.31 (9/12/72)
NASDAQ Composite	776.50	769.84	765.21	762.99	787.42 (15/10)	645.87 (26/4)	787.42 (15/10/93)	54.87 (31/10/72)

	Nov 5	Oct 29	Oct 22	year ago (approx.)
Dow Industrial Div. Yield	2.80	2.77	2.79	3.20

	Nov 3	Oct 27	Oct 20	year ago (approx.)
S & P Industrial div. yield	2.41	2.42	2.20	2.88
S & P Ind. P/E ratio	28.61	28.51	28.46	27.52

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day
US West	7,148,600	47⅞	- ⅜
Telefonos	6,825,900	52⅞	+ 1⅞
RJ Nabisco	5,819,400	6¾	---
Gen Motors	5,044,500	51	+ 2⅜
Merck	4,611,900	32⅞	+ ½
News Corp	4,216,800	63⅞	- 3¼
Wal-Mart	3,833,300	29⅞	+ ¼
Walt Disney	3,696,300	41	- ¼
Amer T & T	3,045,400	55¼	- ⅝
Natl Semi	2,431,000	17¼	+ 1⅜

TRADING ACTIVITY

† Volume (Millions)	Nov 10	Nov 9	Nov 8
New York SE	283.371	278.884	231.211
Amex	18.814	17.335	17.343
NASDAQ	(u)	318.796	283.643
NYSE			
Issues Traded	2,688	2,672	2,689
Rises	1,194	1,200	1,178
Falls	880	898	896
Unchanged	614	578	615
New Highs	49	48	32
New Lows	29	19	39

CANADA

TORONTO

	Nov 11	Nov 10	Nov 9	Nov 8	1993 HIGH	1993 LOW
Metals & Minerals	3069.55	3051.28	3056.65	3028.93	3140.94 (16/9)	2743.31 (21/1)
Composite	4269.53	4251.39	4216.50	4202.03	4289.53 (10/11)	3275.80 (21/1)
MONTREAL Portfolio	2023.24	2014.81	2006.79	1994.35	2027.21 (1/11)	1720.97 (21/1)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable. ♠ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ¶ Subject to official recalculation.

	Nov 11	Nov 10	Nov 9	Nov 8	1993 HIGH	1993 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	2052.4	2042.9	2050.8	2054.2	2132.40 (1/11)	1495.00 (13/1)
All Mining (1/1/80)	864.8	866.0	875.1	879.3	904.50 (2/8)	584.70 (13/1)
AUSTRIA						
Credit Aktien (30/12/84)	413.77	419.03	420.05	418.38	424.59 (2/11)	300.38 (14/1)
Traded Index (2/1/91)	1054.73	1087.33	1080.07	1083.52	1094.43 (2/11)	712.08 (15/1)
BELGIUM						
BEL20 (1/1/91)	1387.33	1387.33	1388.04	1381.77	1391.59 (4/11)	1125.46 (4/1)
DENMARK						
Copenhagen SE (3/1/83)	352.21	352.57	352.26	351.94	355.14 (4/11)	261.90 (4/1)
FINLAND						
HEX General (28/12/90)	1532.9	1530.1	1522.6	1532.9	1607.70 (3/11)	843.10 (22/1)
FRANCE						
CAC General (31/12/81)	(c)	580.97	587.78	585.73	608.73 (28/10)	471.24 (13/1)
CAC 40 (31/12/87)	(c)	2087.33	2112.89	2084.73	2231.95 (22/10)	1772.27 (28/1)
GERMANY						
FAZ Aktien (31/12/58)	779.53	784.88	778.88	779.83	802.70 (3/11)	599.92 (14/1)
Commerzbank (1/12/53)	2228.00	2244.90	2230.20	2234.10	2300.40 (3/11)	1694.30 (14/1)
DAX (30/12/87)	2023.33	2023.84	2022.83	2010.81	2085.58 (2/11)	1516.50 (13/1)
HONG KONG						
Hang Seng Bank (31/7/64)	9574.83	9325.44	9088.47	9177.65	9574.83 (11/11)	5437.80 (4/1)
IRELAND						
ISEQ Overall (4/1/88)	1842.08	1833.48	1825.65	1806.71	1849.27 (3/11)	1191.18 (11/1)
ITALY						
Banca Com. Ital. (1972)	536.97	533.46	546.38	566.80	632.85 (30/8)	446.33 (8/1)
MIB General (4/1/93)	1188.0	1176.0	1204.0	1227.0	1380.00 (30/8)	992.00 (11/1)
JAPAN						
Nikkei (16/5/49)	18158.92	18121.71	18125.71	18625.16	21148.11 (13/8)	16287.45 (25/1)
Tokyo SE (Topix) (4/1/68)	1534.69	1534.78	1544.78	1583.81	1698.67 (3/9)	1250.06 (25/1)
2nd Section (4/1/68)	1974.57	1970.85	1984.21	2017.97	2384.97 (7/9)	1661.72 (25/1)
MALAYSIA						
KLSE Composite (4/4/86)	987.6	950.89	937.69	921.52	982.03 (3/11)	614.29 (13/1)
NETHERLANDS						
CBS Tt.Rtn.Gen.(End 1983)	404.1	409.7	412.9	411.2	418.30 (4/11)	285.70 (4/1)
CBS All Shr (End 1983)	262.1	265.8	267.5	268.7	272.00 (4/11)	189.80 (13/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	997.89	997.76	1007.95	1000.02	1034.93 (29/10)	689.93 (27/1)
PHILIPPINES						
Manila Comp (2/1/85)	2371.87	2367.87	2340.07	2351.40	2467.50 (8/11)	1270.88 (4/1)
SINGAPORE						
SES All-Singapore (2/4/75)	552.25	543.61	538.65	535.18	584.35 (1/11)	394.10 (13/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1876.0¶	1900.0	1887.0	1890.0	2086.00 (30/7)	775.00 (8/1)
JSE Industrial (28/9/78)	4607.0¶	4572.0	4548.0	4586.0	4719.00 (8/7)	4336.00 (19/4)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	783.35	777.88	780.20	778.47	783.35 (11/11)	605.99 (6/3)
SPAIN						
Madrid SE (30/12/85)	300.57	300.86	(c)	299.54	310.28 (22/10)	215.80 (4/1)
SWEDEN						
Affarsvarlden Gen. (1/2/37)	1398.30	1382.10	1401.80	1401.40	1496.10 (4/11)	878.10 (28/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	1180.62	1186.33	1182.37	1182.38	1188.23 (10/11)	904.80 (11/1)
SBC General (1/4/87)	932.18	934.43	931.81	918.18	937.60 (3/11)	678.70 (11/1)
TAIWAN**						
Weighted Price (30/6/66)	4271.14	4191.41	4172.44	4185.82	6013.26 (7/4)	3098.43 (6/1)
THAILAND						
Bangkok SET (30/4/75)	1371.28	1347.82	1316.32	1308.81	1371.28 (11/11)	818.84 (1/6)
WORLD						
M.S. Capital Intl.(1/1/70) $	593.7*	591.2	589.3	593.3	607.10 (15/10)	488.60 (13/1)
Euro Top-100 (26/6/90)	1137.82	1134.91	1140.40	1134.50	1175.45 (22/10)	882.73 (13/1)

**Saturday November 6: Taiwan Weighted Price 4221.80, Korea Comp Ex 789.37.
¶ Subject to official recalculation. *Calculated at 15.00 GMT.

Base values of all indices are 100 except Austria Traded, BEL20, HEX Gen., MIB Gen., CAC40, Euro Top-100, ISEQ Overall and DAX - 1,000, JSE Gold - 255.7, JSE 20 Industrials - 264.3 and Australia All Ordinary and Mining - 500; (c) Closed. (u) Unavailable

TOKYO - Most Active Stocks

Thursday, November 11, 1993

	Stocks Traded	Closing Prices	Change on day
Nippon Steel	6.1m	324	+1
M'shita E Ind	3.9m	1,420	+10
M'bishi Heavy	3.1m	657	
Hitachi	3.1m	799	+1
Nomura Secs	2.9m	1,850	+70
Sumitomo Mtl Min	2.8m	837	-2
Nikko Kyodo	2.7m	426	-5
Tosoh Corp	2.5m	332	+29
Ogaki Kyoritsu	2.3m	601	-1
Kawasaki Steel	2.3m	316	+4

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

4 pm close November 11

1993 High	1993 Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
14⅝	11½	AAR	0.48	3.4	700	45	14⅛	13¾	14	+⅛
29⅜	13¾	A L Labs A	0.18	1.2	34	544	14⅞	14⅝	14⅞	+⅛
67¼	54⅝	AMP	1.60	2.5	22	1114	64	63¼	63⅝	
72¾	55½	AMR			54	3098	70½	69⅝	69¾	
3⅞	1¾	ARX			12	309	3¼	3⅛	3⅛	-⅛
51½	29⅞	ASA	2.00	4.0	33	1283	51¼	50¼	50½	-⅝
30¾	22⅝	AbbotL	0.68	2.4	17	10471	28⅞	28⅛	28¾	+½
12⅝	8¼	Abitibi Pr	0.50	4.8	6	10	10½	10½	10½	
[illegible]	[illegible]	Acclaim			41	224	14⅝	13¾	13¾	-1⅛
36	25½	ACE Ltd	0.92	2.9		486	31½	30⅝	31½	+1⅛
12	10¾	ACM Gvt In	0.96	8.2		314	11⅞	11¾	11¾	
10⅛	9⅜	ACM GvOpp	0.83	8.2		46	9¾	9⅝	9¾	+⅛
10⅛	8¾	ACM Gvt Sp	0.80	8.1		230	10	9⅞	9⅞	-⅛
11⅝	10½	ACM Gvt Se	0.96	8.3		368	u11⅝	11½	11½	-⅛
11⅞	9⅝	ACM Man	1.09	8.3		76	11¾	11⅝	11⅝	
9⅝	8⅝	ACM Managd	0.72	7.9		138	9¼	9⅛	9⅛	-⅛
12⅝	7¾	AcmeClv	0.44	4.3	13	16	10⅛	9¾	10⅛	+⅜
11⅞	6⅞	Acme Elect			39	74	8⅝	8⅜	8⅝	+¼
27⅝	18⅞	Acordia	0.44	1.9	13	9	23	23	23	
16	10⅜	Acuson			62	166	13⅞	13⅝	13¾	
21¾	18¼	Adams Expr	0.48	2.5	0	693	19⅝	19½	19⅛	-⅛
68¾	45½	Ad Micro	3.00	6.0		99	50⅛	49¼	50	+⅜
32¾	17⅝	AdvMkt	3.00	15.1	7	6422	20¼	19⅝	19⅞	+¼
8⅛	5½	Advest Grp	0.16	2.2	12	101	7¼	7	7⅛	
24¾	14¼	Advo Inc	0.05	0.5	72	326	15¼	15⅛	15⅛	
51¼	41⅛	Aegon ADR	1.23	2.4	10	31	50⅝	50½	50⅝	-⅛
66¼	43⅜	AetnaL	2.76	4.6	25	1304	61¼	59¾	59⅞	-2⅛
34	26⅜	Aflac	0.40	1.4	13	4096	28¾	27⅞	28½	-⅜
22⅛	16¾	Ahmnsn	0.88	4.7	9	625	19	18¾	18¾	-¼

[illegible]

1993 High	1993 Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
35	26⅝	Balding Hy								
69	49⅜	BellAtl								
16¾	8⅝	Bell In								
63¾	50⅛	BellSth								
49⅝	38¾	Belo A								
27⅞	19⅞	Bemis								
68	54	Benef 4.3P								
81	62½	Benef								
32½	18¼	Benetton A								
1⅛	⅛	Benguet B								
14¼	8⅝	Berry Petr								
62⅞	21½	Best Buy								
29⅜	25¼	Beth St 2								
57⅜	50¼	Bethlhm Pf								
20⅞	12⅞	BethSt								
62⅞	42⅜	Bic L								
14¼	9⅛	BevEnt								
37¼	15¾	Biocraft								
27¾	20¼	Birmingham S								
22¼	16⅝	BiDeck								
29¼	21⅞	Black H PL								
11	10⅛	BlckrckAdv x								
9½	9¼	Blckrckinc x								
10½	10	BlckrckTgt x								
55	31⅞	Block								
31	15⅞	Blockb								
8⅝	7⅝	Blue Chip								
16⅞	9¼	BMC Ind								
41	33⅜	Boeing								

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4 pm close November 11

NYSE COMPOSITE PRICES

1993 High	Low	Stock	Div.	Yld. %	P/E	Sls. 100s	High	Low	Close Quote	Chng. Prev. Close
Continued from previous page										
25⅝	16⅞	Safeg'd Sc			11	118	u25⅝	25¼	25⅜	+⅛
24¾	13¼	Sbyd	0.36	2.7	20	582	13¾	13½	13½	-⅛
22¾	10⅞	Safeway			28	1315	22	21⅝	21⅝	-¼
5¼	2	SafewayWSG				180	5	5	5	
55	37½	StJoePaper	0.20	0.4	150	121	51¾	51¼	51¼	-⅜
37⅞	31	StJoeL&P	1.76	5.5	13	32	32½	32	32	-⅛
98	75	StPaul	2.80	3.2	14	673	90½	87¾	88¼	-2
11⅞	7¼	Salant Crp			4	189	8½	7⅞	8¼	
75¼	39⅞	Sallie Mae	1.20	2.7	9	690	44⅞	44⅛	44⅜	-⅛
14⅜	13	Salomon Br	0.32	2.3		707	14¼	14	14⅛	+¼
51⅞	34	SalomA	0.64	1.4	11	2458	46	44⅞	45⅞	+1⅜
27¼	23¼	SDgGE	1.48	6.1	13	381	24½	24¼	24¼	-⅛
5	3½	SantaFeEDu	0.40	8.2	48	10	4⅞	4⅞	4⅞	
11⅞	9⅛	SantaFeERs	0.16	1.6	329	582	10	9⅞	9⅞	-⅛
40¼	35¾	SantaFePac	2.80	7.2	16	12	38⅝	38¼	38⅝	+⅛
19⅞	12¾	SanFeP	0.10	0.5	8	2767	19¾	19⅜	19⅝	+¼
31⅛	21	SaraLee	0.58	2.1	19	6265	27⅞	27⅜	27⅝	+¼
52¼	40⅛	Scana Corp	2.74	5.6	13	372	49	48⅝	48¾	-¼
25¾	20	Scecorp	1.42	7.0	13	4823	20½	20¼	20¼	-¼
39⅞	23⅞	ScheringP			28	832	33¾	32⅝	33⅛	-⅛
71	51¾	SchrPl	1.80	2.6	16	6895	69⅞	68¼	68¾	-1¼
68⅞	55⅜	Schlmb	1.20	2.0	24	5562	61¼	60⅝	61	-1⅛
38⅝	16½	Schwab(C)	0.20	0.6	16	2713	34	33¼	33½	-¼
7¾	5⅝	Schwitzer			96	263	6⅞	6¾	6¾	-⅛
38⅞	17¾	SciAtl	0.12	0.3	52	1611	35¼	34½	34¾	-¾
13⅞	9⅛	Scotsman	0.10	0.8	12	73	12⅞	12⅝	12⅝	-¼
41	31	ScottP	0.80	2.2	23	848	36⅝	36⅛	36½	+⅛
25⅞	14¼	ScuddrNAsF	0.21	0.9		37	23⅝	23⅝	23⅝	-⅛
11⅛	7½	ScuddrNEuF	0.16	1.7		820	9⅝	9½	9⅝	+⅛
31½	16¼	SeaCnB	0.70	3.7	9	21	19	18½	18⅞	-⅛
17	15	SeaC1.4625	1.46	9.3		5	15¾	15⅝	15¾	
[illegible]										

- X - Y - Z -

1993 High	Low	Stock	Div.	Yld. %	P/E	Sls. 100s	High	Low	Close Quote	Chng. Prev. Close
89⅝	69⅞	Xerox	3.00	3.8	31	1132	80¼	79⅛	79⅝	+⅛
55½	51½	Xerox4.125	4.12	7.6		37	u55½	54	54	-⅛
50½	31¼	Xtra Corp	0.48	1.1	17	349	42¾	42	42⅜	-⅛
29¼	19½	Yankee Egy	1.16	4.3	16	16	27	26⅞	27	+⅛
1⅝	⅜	Zapata			21	530	1½	1⅜	1½	
10½	5⅞	ZenithE			2	930	7⅝	7	7⅛	
29¼	19⅝	Zenith Nat	1.00	4.3	10	728	23⅝	23	23	-⅜
8	6½	Zenix Inc	0.82	10.8		173	7⅝	7½	7⅝	-⅛
15¼	12⅜	Zero	0.40	2.8	17	27	14¼	14	14⅛	+⅛
40⅝	25⅜	Zurn Ind	0.88	3.2	68	64	28	27¾	27⅞	+⅛
13¾	12⅝	Zweig Fund	1.12	8.4		216	13½	13⅜	13⅜	-⅛
10⅝	9⅝	Zweig Tot	0.86	8.9		288	10¼	10⅛	10¼	

Price data supplied by Telekurs

Yearly highs and lows reflect the period from Jan 1, excluding the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

4 pm close November 11

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Bow Valley		48	z100	11⅝	11⅝	11⅝	
Bowmar		44	1453	4⅛	3⅞	4	+⅛
Bowne	0.30	10	100	19⅛	19	19⅛	-⅛
Brascan A	1.04	11	515	d11	10½	11	+⅛
Cal Engy		17	1344	17¾	17⅜	17⅜	
Calprop		0	20	1	1	1	
Cambrex	0.20	13	4	20	20	20	-⅛
Cart Marc	0.28	16	z100	11¼	11¼	11¼	
Chmbrs A	0.01	8	397	3⅞	3⅞	3⅞	+⅛
Chambers		8	36	3⅞	3⅞	3⅞	-⅛
FstCityBnc	0.20	11	2	11	11	11	
Fluke (J)	0.52	15	70	24⅞	24⅛	24½	-⅛
Forest La		26	469	42⅞	42	42¼	
Frequency		5	241	8⅛	7⅞	7⅞	-⅛
Fr ofLoom		14	4690	38⅛	37¾	38⅛	+⅛
Garan	0.80	10	97	33¼	32⅞	33	+⅛
Giant FdA	0.70	16	379	24⅛	23⅞	23⅞	-⅛
Glatfltr	0.70	30	282	18⅛	17⅞	18⅛	+¼
Goldfield		13	288	⅝	⅝	⅝	+⅛
Greenman		23	77	5⅛	5⅛	5⅛	
Matec Sc		24	845	23⅞	23⅝	23¾	
Moocam		3	80	33⅞	33	33⅞	+½
Media A	0.44	31	92	29⅞	29⅞	29½	+⅛
Mem Co	0.20	3	38	4	4	4	
Moog A		58	16	7⅝	7⅝	7⅝	-⅛
MSR Expl		2	211	⅞	⅞	⅞	-⅛
Nat Pnt		15	1041	5⅛	5⅛	5⅛	+⅛
New Line		38	290	25	24⅞	25	+⅛
NY TmA	0.56	60	1077	23⅛	d22⅞	23	-⅛
NmCanOil	0.20	22	8	11⅛	11⅛	11⅛	
Tubos Mex		15	857	4⅞	4⅞	4⅞	+⅛
UtdFoodsA		4	2	1⅜	1⅜	1⅜	
UtdFoodsB	0.20	43	2	1⅜	1⅜	1⅜	
UnvPnts		19	240	6⅞	6⅞	6⅞	+½
US Cellul		207	536	32⅛	31⅞	32⅛	+⅛
Weathrfd		31	994	10⅞	10⅛	10⅞	
Westamer	0.58	18	5	28⅞	28⅞	28⅞	
WRIET	1.12	19	179	13⅞	13⅜	13⅞	
Worthen	0.20	9	18	22½	22⅜	22½	
Xytronic		8	36	8⅝	8½	8⅝	-⅛

NASDAQ NATIONAL MARKET

4 pm close November 11

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
[illegible]							

AMERICA

US markets edge up in subdued trading

Wall Street

US SHARE prices edged higher across the board yesterday morning although trading was subdued by a Veterans day holiday which closed the country's banks and shut the bond market, *writes Patrick Harverson in New York.*

At 1 pm, the Dow Jones Industrial Average was up 9.22 at 3,672.77. The more broadly based Standard & Poor's 500 was 0.92 higher at 257.05, while the Amex composite was up 1.51 at 478.21, and the Nasdaq composite up 3.56 at 780.06. Trading volume on the NYSE was 169m shares by 1 pm.

Athough equity investors remain concerned about rising interest rates, the closure of the bond market yesterday allowed them to concentrate on more positive factors. Chief among these was the growing hope that the North American Free Trade Agreement will be approved by congress in next Wednesday's crucial vote.

Until as recently as a few days ago, Nafta's chances of being passed by legislators looked slim, and stocks were depressed by the prospect that the new free trade axis between Canada, the US and Mexico would collapse at the final hurdle.

Following Tuesday's televised debate between Mr Al Gore, the vice-president, and leading Nafta critic Mr Ross Perot, the markets now believe that the pact's chances of success have improved.

AT & T jumped \$2¼ to \$57⅞ in volume of 2.1m shares as investors celebrated the news that the telecommunications group had won a "multi-billion dollar" contract to provide equipment to Pacific Telesis.

Philip Morris climbed \$1⅞ to \$56⅞ in volume of 1.5m shares after analysts at two broking houses, Goldman Sachs and Salomon Brothers, upgraded their ratings on the stock following recent rises in cigarette prices.

Gap Stores, which opened late because of an order imbalance on the buy side, rose \$2⅞ to \$38⅞, a new 52-week high, on news of third quarter earnings of 54 cents a share, up from 43 cents a share and well above analysts' forecasts.

Bear Stearns jumped \$1¼ to \$22⅞ following an article in the Wall Street Journal which highlighted the company's recent strong profits performance. The stock was additionally helped by a buy recommendation from Prudential Securities.

Critical comments about the troubles at its half-owned French theme park Euro Disney continued to unsettle Walt Disney shares, which eased \$⅛ to \$41 in busy trading.

MEXICAN stocks hit a new intraday high on renewed confidence that Nafta will gain US approval next week. The IPC index was up 64.68, or 3.2 per cent, at 2,100.01 at midday.

Volume was 41.6m shares, with the most heavily traded stock being Telefonos de Mexico.

NYSE volume

Canada

TORONTO's composite index retreated from an earlier record intra-day high of 4,292.22, registering a gain of 16.03 to 4,285.56 at noon. Gold issues continued to lead the market, rising 170.34, or 1.6 per cent to 10,582.56.

EUROPE

Frankfurt sees action in financial sector

SENIOR bourses continued their quiet spell, with Paris and Brussels closed for a holiday, *writes Our Markets Staff.*

FRANKFURT saw some action in financials as the DAX index closed virtually flat, easing 0.51 to 2,023.33.

Turnover fell from DM8.4bn to DM7.6bn. Commerzbank rose DM6.60 to DM350 on a reported forecast from Bank Julius Baer in Zurich that the German bank may lift its 1993 dividend by DM2 to DM12. Bayernhypo and Bayernverein, interest rate sensitive, fell by DM1.50 to DM452.50, and by DM4.50 to DM503.

There was a similar pattern among insurers where the leading stock, Allianz, eased DM8 to DM2,762 but AMB put on another DM30 to DM1,500, up by DM615, or 69 per cent since early June and by DM200 since September 30.

AMB had a mid-year run as AGF of France increased its stake. Its more recent climb is being put down to ill-founded German speculation about the prospects of a full AGF takeover. The price was not justified on fundamentals, said a London analyst yesterday, putting AMB's true net asset value at DM1,100 at best.

Elsewhere, Schering, the pharmaceuticals group, slipped DM15 to DM1,080 on nine-month net profits down 3.5 per cent after a 3.4 per cent rise at the half-way mark.

MILAN moved ahead after the cumulative 4.2 per cent decline of the previous two days. The Comit index closed 5.62 higher at 538.97.

Mr Michele Pacitti of NatWest Securities believed that the weakness had been overdone and that buyers were being attracted back by lower prices. He added that some short covering was also evident ahead of next week's end of the monthly account.

A firmer trend emerged among telecoms, which had led the market lower. Sip added L191 or 6.4 per cent to L3,183 and Stet was L229 or 6.6 per cent higher at L3,725.

Olivetti rose L88, or 5.8 per cent to L1,615 as the house arrest order imposed on Mr Carlo De Benedetti was lifted by Rome magistrates.

FT-SE Actuaries Share Indices

November 11 — THE EUROPEAN SERIES

Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100†	1336.45	1334.52	1334.04	1336.68	1337.52	1337.66	1338.92	1335.92
FT-SE Eurotrack 200†	1404.80	1402.91	1402.38	1404.46	1405.09	1404.50	1404.38	1403.42

	Nov 10	Nov 9	Nov 8	Nov 5	Nov 4
FT-SE Eurotrack 100	1334.90	1346.87	1337.43	1337.58	1365.93
FT-SE Eurotrack 200	1401.16	1405.41	1395.82	1399.44	1429.46

Base value 1000 (26/10/90) High/day: 100 - 1338.43; 200 - 1405.24 Low/day: 100 - 1333.84 200 - 1401.80 †Partial

AMSTERDAM was disappointed with Royal Dutch although the third quarter results were broadly in line with expectations. The oil group shed Fl 4.50 to Fl 197.10 as the CBS Tendency index slipped 0.7 to 133.5.

Royal Dutch said that a strong performance in the oil and gas divisions was offset by higher losses in the chemical sector. Unilever, which is due to report today, lost Fl 3.90 to Fl 212.70.

ZURICH gave in to profit-taking which left the SMI index 22.0 lower at 2,720.1.

In a weaker insurance sector, Winterthur was SFr25 lower at SFr855 and Swiss Re gave up SFr40 at SFr3,780.

A SFr30 rise to SFr5,900 in Roche certificates was attributed to buying by a small Swiss bank.

Nordic markets differed. Unibors Securities upgraded index targets for both Norway and Finland, forecasting 640 for the Oslo All-share by the year-end and 1,600 for the Hex, as interest rates continue to decline.

STOCKHOLM regained its composure after Wednesday's fall with the Affärsvärlden general index putting on 16.2 to 1,398.3. Turnover was SKr1.3bn.

Astra, the pharmaceutical group, gained SKr4 to SKr168 in the B shares ahead of third quarter figures due out today.

OSLO was pulled down by lower oil prices and a slight rise in three-month interest rates. The All-share index lost 3.6 to 591.3 in turnover of NKr351m.

Norsk Hydro fell NKr3.50 to NKr213.50.

COPENHAGEN saw weakness in Novo Nordisk, which fell DKr8 to DKr639 in spite of Wednesday's 14 per cent increase in third quarter profits. The KFX index ended down 0.37 at 103.09 in low turnover of some DKr480m.

ISTANBUL closed nearly 2 per cent stronger on hopes that the government may accelerate the privatisation programme. The composite index added 325.7 to 15,197.2 in turnover of TL1,300bn.

TEL AVIV fell back as investors took profits after the market's recent gains. The Mishtanim index lost 3.11 to 251.34 in turnover of Shk464m.

Written and edited by William Cochrane, John Pitt and Michael Morgan.

ASIA PACIFIC

Nikkei holds fast as Hong Kong rises 3.7%

Tokyo

FEARS OF an imminent plunge in share prices were dispelled after morning buying by financial institutions, and the Nikkei average closed higher in spite of arbitrage unwinding later in the day, *writes Emiko Terazono in Tokyo.*

The 225-issue index finished 36.81 better at 18,158.52, after a day's high of 18,328.63 and low of 18,076.41. Volume totalled 314m shares, against Wednesday's 386m, investors retreating to the sidelines ahead of Friday's settlement of stock options contracts.

Rises led falls by 503 to 474, with 187 issues unchanged. The Topix index of all first section stocks was off 0.20 at 1,534.58, and in London the ISE/Nikkei 50 index firmed 3.93 to 1,238.18.

Government officials denied the possibility of fiscal support for the slumping stock market. Mr Jiro Saito, vice-finance minister, said stock prices should be formed on the market's supply and demand.

However, a rise in East Japan Railway and Nippon Telegraph and Telephone eased fears of further falls in share prices. JR East gained Y21,000 at Y472,000 and NTT advanced Y14,000 to Y778,000, encouraging investor sentiment.

Daishowa Paper lost Y260 to Y1,460 after Mr Ryoei Saito, its chairman and known for his impressionist art collection, was arrested, allegedly for bribing politicians. The case is the most recent revelation of a Japanese prosecutors' crusade against political corruption. Construction companies, which have also been investigation targets, firmed yesterday, Taisei adding Y5 at Y635 and Shimizu Y16 at Y635.

Banks were still weak on arbitrage linked selling. Industrial Bank of Japan fell Y50 to Y3,140 while Dai-Ichi Kangyo Bank declined Y20 to Y2,180. Securities houses, however, firmed on bargain hunting. Nomura Securities rose Y70 to Y1,850 and Daiwa Securities Y20 to Y1,280.

Retailers were higher on hopes that deregulation will help earnings. Ito-Yokado rose Y90 to Y5,380 and York-Benimaru put on Y140 at Y4,700.

Mining issues were depressed by profit-taking. Nikko Kyodo slipped Y5 to Y426 and Sumitomo Metal Mining lost Y2 to Y837.

In Osaka, the OSE average moved up 72.25 to 20,236.28 in volume of 20.3m shares. Construction and textile issues gained ground on bargain hunting.

Roundup

THE REGION'S markets generally built on Wednesday's gains. Bombay was closed for a holiday.

HONG KONG climbed a further 3.7 per cent as overseas interest remained firm. The Hang Seng index rose 349.39 to 9,674.83, slightly below its intraday high of 9,714.24. Turnover jumped to HK\$9.3bn from Wednesday's HK\$5.8bn.

Domestic brokers commented that the market gained confidence following a meeting in London between Mr Chris Patten, the governor, and the UK cabinet. HSBC was the day's most actively traded share, rising HK\$3 to HK\$90. Elsewhere, Hopewell gained 75 cents at HK\$9.15, Cheung Kong HK\$1.75 at HK\$38 and HK Telecom 80 cents at HK\$16.7

SINGAPORE rose on hopes of good third-quarter economic data, due to be released today. The Straits Times Industrial index added 28.07 at 2,109.08.

SEOUL saw a round of late institutional buying push the market higher, the composite index rising 5.46 to 783.35.Hyundai Motor and steelmaker Posco had respective gains of Won400 and Won700 to Won33,800 and Won35,500.

TAIWAN saw good buying in the electronics and pulp and paper sectors, and the weighted index advanced 79.73, or 1.9 per cent, to 4,271.14. Turnover rose to T\$32.9bn from T\$23.5bn.

Acer, which raised its 1993 net profits forecast to T\$1bn from T\$800m, closed 7 per cent higher at T\$30.00.

KUALA LUMPUR noted activity in Damansara Realty, which was requoted for the first time after a 16-month suspension following an investigation into a property transaction. The shares went to a day's high of M\$4.42, against a pre-suspension close of M\$0.89, before ending at M\$3.48 in volume of 17.9m shares. The composite index gained 16.71 at 967.60.

BANGKOK ended at a record high on strong buying of the banking, cement and property sectors. The SET index put on 23.64, or 1.75 per cent, at 1,371.26 in Bt22.8bn turnover.

AUSTRALIA closed higher for the first time in more than a week, helped by strength elsewhere in the region. The All Ordinaries index rose 9.5 points to 2,052.4, having fallen to 2,030.4 in the first hour of trading on heavy selling of News Corp and BHP. Turnover was A\$369.56m.

News Corp lost 14 cents at A\$10.18, but BHP ended 16 cents up at A\$17.32 after falling 12 cents at the opening.

NEW ZEALAND fell another 1.4 per cent as the deadlocked political situation continued to depress sentiment. The NZSE-40 capital index lost 29.25 to 1,964.51 as Telecom led the market down, falling 13 cents to NZ\$3.87.

COLOMBO's all share index rose by another 15.05 to 914.66 as the bull run showed no sign of abating. However, turnover slipped to Rp182.9m from Rp255.8m.

KARACHI remained positive with the KSE index putting on 1.14 to 1,656.87, its highest close in 22 months.

Renewed foreign demand for golds provides lustre

Philip Gawith assesses Johannesburg's prospects

Since Mr Nelson Mandela, leader of the ANC, called in September for the lifting of all remaining economic sanctions against South Africa, investors have been trying to assess the implications for the Johannesburg Stock Exchange of the country's readmission to the global investment community. The task is not simplified by a backdrop of political uncertainty and violence.

In terms of traditional criteria the JSE, like many of the world's major bourses, is in demanding territory. Although the industrial market has performed poorly this year – it has risen by only 5 per cent to yesterday's 4,607from 4,359 at the start of the year – it is currently on a p/e ratio of 15, compared with an average of 9.5 since 1980.

This is only marginally below the 15.4 multiple seen just before the market crashed in October 1987, and underlying earnings growth remains anaemic.

Notwithstanding the case for caution, Mr Johannes van der Horst, general manager of investments at the life office Old Mutual, South Africa's largest institutional investor, recently predicted that the industrial index will have reached about 5,100 by October 1994, implying a total return (including income) of 15 to 20 per cent for the year.

This assumes, uncontroversially, a continuing decline in interest rates and modest earnings growth on the industrial index of 12 to 15 per cent. He believes this could reach 25 per cent, "if things go right for a change", a hope supported by yesterday's preliminary GDP figures showing 8 per cent growth in the third quarter.

Two points can be made about this analysis. First, if there is a crack in world markets, and the US in particular, all bets are off. The JSE Industrial index tracks the Dow very closely and if it turns down, the JSE is sure to follow. Secondly, if there is no such crack, Mr van der Horst is probably erring on the side of caution.

South Africa

Source: Datastream

There are certainly some who believe that the market, in a year's time, is likely to be closer to 6,000 than 5,100.

The case for greater optimism is based largely upon anticipation that there will be significant foreign buying of the JSE in the coming year. Most of the activity is expected to come from the US, where many investors have only been freed recently from sanction constraints to invest on the JSE. The current year has already seen a reversal of the pattern occurring in previous years when foreigners were net sellers of equity.

This has largely been on the back of the US purchase of South African gold shares, which helped to drive the golds index up to a high of 3,149 at the end of July after starting the year at 768. After dropping to 1,457 in mid-September, it has since recovered to its current level of 1,900 on the back of a firmer bullion price.

While most Johannesburg brokers remain bullish about gold, US buying is expected across a broad spectrum. Mr Richard Stuart of brokers Martin & Co notes that there is "plenty of US money looking to come in".

He says that US investors are not particularly concerned about ratings, which are not high compared with their own market. They believe, too, that earnings are depressed after four years of recession. "They will just buy the socks off the market. They know how their herd behaves – it will not wait for earnings growth to come through."

Although, in the first instance, this will be "hot" money coming from the hedge funds, and likely to cause great volatility on the JSE, more sober money is also having a look.

There is talk of up to seven country (or Southern Africa) funds being set up, while the prospect of the International Finance Corporation (IFC) classifying South Africa as an emerging market and Morgan Stanley including the country in its international index could trigger significant index buying.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY NOVEMBER 10 1993								TUESDAY NOVEMBER 9 1993					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1993 High	1993 Low	Year ago (approx)
Australia (69)	153.12	-0.9	153.81	103.76	134.70	153.38	-0.3	3.37	154.45	155.93	105.66	136.11	153.88	162.83	117.39	112.10
Austria (17)	175.16	-0.3	175.94	118.70	154.09	153.95	+0.1	1.02	175.62	177.30	120.17	154.76	153.86	184.47	131.16	138.51
Belgium (42)	150.60	-0.1	151.28	102.05	132.48	134.63	+0.1	4.28	150.72	152.16	103.12	132.81	134.55	156.76	131.19	136.04
Canada (107)	134.85	+0.4	135.45	91.37	118.61	127.72	+0.5	2.62	134.38	135.67	91.95	118.41	127.13	134.85	111.41	114.85
Denmark (32)	239.30	+0.1	240.37	162.16	210.50	219.85	+0.1	1.03	239.14	241.43	163.64	210.73	219.70	241.06	185.11	193.42
Finland (23)	120.43	-0.7	120.97	81.61	105.94	146.72	+0.0	0.71	121.26	122.43	82.98	106.86	146.75	128.99	65.50	70.62
France (98)	161.47	-0.8	162.19	109.41	142.03	149.38	-1.0	3.11	162.72	164.28	111.34	143.38	150.85	173.05	142.72	147.84
Germany (60)	130.64	+0.3	131.22	88.53	114.91	114.91	+0.1	1.85	130.25	131.50	89.14	114.78	114.78	136.13	101.59	104.66
Hong Kong (55)	376.61	+2.9	378.29	255.20	331.31	373.71	+2.9	2.93	366.11	369.63	250.52	322.64	363.22	386.88	218.82	261.41
Ireland (14)	176.32	+0.4	177.11	119.48	155.10	177.40	+0.1	3.16	175.61	177.29	120.16	154.75	177.19	177.89	129.28	126.81
Italy (70)	61.12	-2.0	61.39	41.41	53.76	75.22	-2.4	2.22	62.34	62.94	42.65	54.93	77.09	78.93	53.78	58.68
Japan (469)	144.51	+0.4	145.16	97.93	127.14	97.93	-0.6	0.84	144.00	145.39	98.54	126.92	98.54	165.91	100.75	100.89
Malaysia (69)	471.61	+2.1	473.71	319.56	414.85	462.98	+2.0	1.48	461.93	466.36	316.07	407.05	453.83	487.72	251.66	279.38
Mexico (19)	1738.93	-1.1	1746.69	1178.35	1529.68	6122.03	+1.1	0.81	1757.77	1774.64	1202.78	1549.00	6056.73	1867.70	1410.30	1531.35
Netherland (26)	192.45	-0.7	193.31	130.41	169.30	167.06	-0.8	3.17	193.81	195.67	132.61	170.79	168.33	197.07	150.39	150.39
New Zealand (13)	60.14	-4.7	60.41	40.76	52.91	59.14	-3.8	3.84	63.12	63.72	43.19	55.62	61.47	68.38	40.56	38.25
Norway (23)	175.65	-0.8	176.44	119.03	154.52	175.89	-0.9	1.45	177.15	178.85	121.22	156.12	177.51	185.10	137.71	131.80
Singapore (39)	311.62	+2.4	313.01	211.16	274.11	228.69	+2.4	1.40	304.19	307.11	208.15	268.05	223.30	332.55	207.04	201.16
South Africa (60)	209.06	-0.9	209.99	141.66	183.90	203.00	+0.4	2.67	211.06	213.08	144.42	185.99	202.29	218.72	144.72	142.26
Spain (42)	138.48	+0.7	139.10	93.84	121.81	142.52	+0.6	4.15	137.58	138.90	94.15	121.24	141.85	145.24	115.23	107.53
Sweden (36)	193.74	-1.5	194.60	131.29	170.43	235.90	-1.1	1.43	196.77	198.65	134.64	173.40	238.49	208.92	149.70	155.23
Switzerland (50)	147.47	+0.5	148.13	99.93	129.74	136.50	+0.2	1.59	146.74	148.15	100.41	129.33	136.18	148.18	108.91	107.84
United Kingdom (218)	185.43	+0.6	186.28	125.64	163.10	186.26	+0.1	3.85	184.35	186.12	126.13	162.44	186.12	193.97	162.00	163.45
USA (519)	188.80	+0.7	189.64	127.94	166.09	188.80	+0.7	2.73	187.42	189.22	128.25	165.17	187.42	191.56	175.38	172.65
Europe (751)	156.59	+0.0	157.29	106.11	137.75	151.23	-0.2	3.00	156.53	158.03	107.11	137.94	151.58	162.97	133.92	132.48
Nordic (114)	185.73	-1.0	186.55	125.85	163.38	196.03	-0.7	1.25	187.63	189.43	128.39	165.35	197.36	194.54	142.13	143.76
Pacific Basin (714)	153.10	+0.5	153.79	103.75	134.68	107.90	-0.3	1.11	152.34	153.80	104.25	134.25	108.23	168.80	105.89	106.42
Euro-Pacific (1465)	154.44	+0.3	155.13	104.64	135.85	125.04	-0.3	1.90	153.97	155.44	105.35	135.67	125.39	162.86	117.26	116.96
North America (626)	185.43	+0.7	186.26	125.67	163.14	184.61	+0.7	2.73	184.11	185.87	125.99	162.27	183.28	187.68	171.51	169.06
Europe Ex. UK (533)	138.00	-0.3	138.62	93.53	121.42	130.52	-0.4	2.45	138.43	139.75	94.74	122.01	131.09	143.73	112.51	113.60
Pacific Ex. Japan (245)	236.07	+1.3	237.12	159.99	207.68	218.97	+1.5	2.70	232.94	235.17	159.42	205.29	215.69	245.12	152.70	160.73
World Ex. US (1651)	155.35	+0.3	156.05	105.28	136.66	127.46	-0.2	1.82	154.93	156.42	106.02	136.53	127.75	162.89	118.51	118.03
World Ex. UK (1952)	163.59	+0.4	164.32	110.86	143.92	142.56	+0.1	2.06	162.89	164.45	111.46	143.55	142.35	168.66	134.22	132.87
World Ex. So. Af. (2110)	165.33	+0.5	166.07	112.04	145.45	145.96	+0.1	2.23	164.57	166.15	112.62	145.03	145.77	170.46	137.29	135.80
World Ex. Japan (1701)	178.40	+0.5	179.20	120.90	156.96	174.85	+0.4	2.80	177.54	179.24	121.49	156.47	174.08	181.67	157.47	155.07
The World Index (2170)	165.52	+0.4	166.26	112.17	145.61	146.47	+0.1	2.23	164.78	166.36	112.76	145.22	146.27	170.68	137.32	135.53

Latest prices were unavailable for this edition.

RECRUITMENT

JOBS: Lucy Kellaway on a communications course which has made strong men weep but merely left her blinking

To boldly go beyond perceived limitations

INSIDE each of us is a good communicator. No matter know inept, gauche, bumbling or autocratic we are, we could become user-friendly managers with a little guidance and a bit of effort.

It is an attractive view, one that is being peddled by a new breed of consultants specialising in communications courses. Communication, they say, matters more than ever. In the old days, everyone was told what to do and expected to get on with it. But now that corporate hierarchies have been abandoned and workers empowered, it is essential that people get along with each other.

But do these courses work? Can we really emerge from them more personable and persuasive than when we went in?

To find out, I joined an intensive session designed for a female executive at BZW by Harley Young Associates, which specialises in corporate cultural development. HYA's communications course, run by ex-actor Philip Hynd, has attracted some startling testimonials. One manager, on returning to his office after the seminar, surprised the receptionist by remarking on the fine bunch of flowers on her desk. It was not just that he had learnt the art of small talk: he had never noticed the flowers before. Peter Horne of Apricot, for which HYA carried out a whole programme of cultural change, not only softened his manner but even shaved off his moustache.

Grown men, unused to confronting their emotions, had been known to break down and weep during the HYA course. One manager felt that he had been peeled apart like an onion into different layers, and requested an extra day's training in order to be put back together again. The course literature promised to make us understand the effect we have on others, go beyond our perceived limitations, and to question our habitual reactions. It pledged to "unlock and direct human energy", translating it into achievement.

The first step was a questionnaire, sent out in advance, in which we had to rate our skills at such things as "being authentic", "being appropriate" and "building rapport", and then list the personal and professional cycles of behaviour patterns that we most wanted to change.

The training day, held at BZW's London office, started with each of us reading out the questionnaires.

"It is not clear what 'being authentic' means", I began. This was wrong. According to Hynd, our "facilitator", good communicators do not say things that are subjective as though they were objective truths. They always say "I think" or "I feel" unless stating a fact, and certainly never say "you" or "one", when they could say "I" or "me".

The BZW woman groaned at the video camera, which was stealthily recording as we spoke. Apparently, her reaction was telling. The facilitator said it was typical of a deep insecurity inside us all. Even the most senior managers have a sense that they are not good enough, and to avoid being found out take on defensive patterns of behaviour. If these "work" they are repeated so often they become subconscious.

To break the mould, we were asked to dig into our earliest memories and recall times when we were reprimanded unfairly, and then re-experience how we felt about it. From these tales of classroom misdemeanors, significant patterns started to emerge. We were told that the way people react to early traumas divides them into two camps: some deal with their own feelings of inadequacy by seeking approval, while others control their own emotions and the people around them.

It turned out that my formative experiences in the playground and at my mother's knee had made me a controlling person. The fact that fellow controllers are Robert Maxwell and Lady Thatcher did not make me feel any better about it. Control people have all the answers, never show their feelings, are dogmatic and arrogant, will not argue unless they can win, and withdraw rather than lose face. Approval seekers – a category shared by my coursemate as well as John Major and Richard Branson – turned out to be not much better. The tell-tale signs are constant smiling, and an earnest, sycophantic manner. Approval seekers are pushovers, and may seem to be behaving in a kindly way but always have a hidden agenda.

The point of this exercise was to make us aware of the tricks we play, and thus give us the choice of whether to go on playing them. The problem is that if you do not (as I did not) accept the diagnosis, it is harder to change your ways. The facilitator seemed quite unmoved by my dissent; he said failure to recognise controlling tendencies was a classic characteristic of control people.

He then asked us to think of an event in the next week in which we would have behaved in our bad old ways, and then choose a different course of action that might run against the grain, but be more likely to get results. Then we had to choose each other as mentor to talk through the event both before and after.

More than a week has gone by. My BZW partner has not called on my help to get her through her meeting with a bully at which she planned to be more assertive. I have not called on her either. It is all very well letting your hair down during a course, but telephoning someone you don't know days later for their advice on how to behave is asking too much.

The next stage was about energy. We all (control freaks and sycophants both) spend too much time suppressing our real feelings, and the act of suppressing is as strong and exhausting as the feeling itself.

So how do you channel unwanted feelings into wanted ones? The first step is easy: you breathe. We sat there taking deep breaths and trying to become more aware of how we were feeling then (which in my case was faintly irritated). A few large lungfulls of air, and I was feeling much the same.

The other techniques were not practical to sample then and there, but we were given the following useful tips.

- Spend more time with people who have lots of energy.
- Take a walk around the office.
- Tidy up.
- Tie up loose ends in both tasks and relationships.
- Break a habit, do something differently.
- Keep agreements; tell the truth.

When unexpressed feelings are trapped within us, the message is likely to reveal itself subconsciously through our bodies. We are likely to reveal our thoughts by the way we wiggle our feet even if the words coming out of our mouths are perfectly neutral.

To get acquainted with our own body language, each of us had to repeat phrases like "You are really covert in your communication" and "Would you book me a ticket by credit card?" and then watch the result on video.

Our facilitator thought that my eye contact was a bit too much: I should blink more often. He said that my way of pulling my chin back and holding my head on one side seemed to be saying "You are stupid and you better sort it out".

These home truths would have been easier to dismiss were it not for the sensible nature of the advice he was giving to my course mate. Her habit of going into a fake cockney voice was much better discarded, as was her frequent raising of eyebrows.

We went over the same phrases again for the video's benefit, this time without our habitual gestures.

I could see that my course mate looked better eyebrows down. She assured me that my self-conscious blinks and thrusting chin were also an improvement. The problem was how to stay that way: once the training day was over it was all too easy to slip back.

If you go along to a communications course out of curiosity (as I did) or because your employer wishes it, you are likely to emerge unscathed. For the first day or two afterwards I blinked when I remembered to. I now do not even do that.

Rereading this article, I notice it is riddled with illicit use of the third person, but do not feel inclined to go back and alter it. Perhaps that is just what one would expect from a closet control person.

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The company offers a fully competitive salary and benefits package, which will include company car and substantial bonus opportunity.

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In the first instance, please write with full c.v., enclosing recent photograph, salary expectations and quoting REF FA100 to: Floyd Advertising Confidential Reply Service, 130 Buckingham Palace Road, London SW1W 9SA.

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For further information please contact Tana Akson on 071-623 1266

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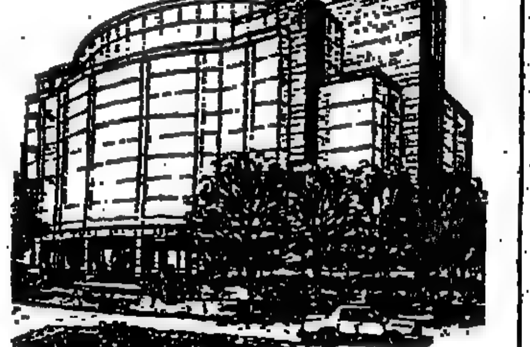

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Mr. F. J. Healy,
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For a confidential discussion please contact Patrick Morrissey or Nigel Haworth on Tel: 071-236 2400, Fax: 071-236 0316 or in writing to Sheffield-Haworth Ltd. Price Rupert House, 61 Queen Street, London EC4R 1AD.

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You will probably have an ACA, a liking for project finance, and proven expertise in capital structuring. Knowledge of German would be useful but not essential.

If you have the motivation to succeed in an unpredictable and pressurised business, please send your C.V. for the attention of the Personnel Manager to:

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- Strong quantitative grounding.
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Applicants with proven experience, a drive for hard work, and the desire to contribute to an expanding research effort are encouraged to forward resumes to:

Salomon Brothers Hong Kong Limited
Human Resources Department
21/F, Three Exchange Square
Hong Kong

Salomon Brothers

Waters Lunniss is the highly profitable stockbroking arm of Norwich and Peterborough Building Society. Backed by the substantial resources of one of East Anglia's leading financial institutions, the company's rate of growth has been dramatic during recent years. This expansion has involved the opening of new branches, the securing of high quality sources of new business and the introduction of innovative services.

BROKERLINE MANAGER – Norwich

Waters Lunniss Brokerline is one of the UK's most competitively priced telephone sharedealing services. It has enjoyed phenomenal growth during the past year. There are many opportunities to further promote the service and this new position has been created to pursue an active marketing strategy as well as to maintain a high level of customer service.

The successful candidate is likely to have experience of either retail stockbroking or financial services marketing.

SHARE CENTRE MANAGER – Nottingham

As part of the continuing expansion of our branch network, this new Share Centre will be opened at the beginning of 1994. The role will involve business development, backed by our wide range of services including highly competitive commission charges, PEP's and a unique Instant Settlement Service.

You will be qualified to at least SFA Registered Representative status having gained thorough experience of dealing with private investors. The ability to bring existing clients is desirable, whilst a smart appearance and an outgoing, enthusiastic personality are essential.

Both positions offer a competitive salary and excellent career prospects.

Please apply in writing, with full C.V. and current salary details, to:

Richard Larner, Managing Director,
Waters Lunniss and Company Ltd,
2 Redwell Street, Norwich, NR2 4SN.

WATERS LUNNISS

A member of the Norwich and Peterborough Group
A member of The London Stock Exchange and SFA

FINANCIAL TIMES/LES ECHOS

Paris Based

EUROPEAN INSTITUTIONAL SALES REPRESENTATIVE

THE COMPANY

- Subsidiary of a large European financial institution, and a high quality American investment management firm. Parents manage a total of over US$75 billion.
- Full investment management product line.
- Marketing and management of global investment services for institutions and high net worth individuals.

THE POSITION

- **Senior marketing position.** Direct responsibility for development of institutional investment management mandates. Support provided by a strong and long established European network.
- Job responsibilities include both marketing and client maintenance and communication.

QUALIFICATIONS

- Ten years business experience.
- Prior proven record of financial services marketing success.
- Candidates should have knowledge of major European institutional investors and business practices.
- Sales skills in English. French or other European languages desirable.
- Investment management experience desirable.

COMPENSATION

- Highly attractive and open ended incentive compensation package.

Please forward letter, in confidence, with supporting statements of past successes, resume and compensation history to Box B1900 Financial Times, One Southwark Bridge, London SE1 9HL. If there are companies you do not wish your application to be sent to, please mention it on the cover letter to the Financial Times.

WISE SPEKE

A Member Firm of the London Stock Exchange and of The Securities and Futures Authority

For ninety years, Wise Speke has built a strong reputation for its personal, efficient and dedicated service to Private Clients which it now provides from offices in Newcastle, Leeds, Middlesbrough, Manchester and London.

We are looking to attract suitably qualified individuals to help develop our Private Client services.

Candidates should be able to demonstrate a sound track record as successful Private Client Stockbrokers with the ability to expand an existing client base within a team environment.

If you are interested in joining a successful and growing company, please send a detailed curriculum vitae to the Director of Operations at:

WISE SPEKE LIMITED
Commercial Union House
39 Pilgrim Street
Newcastle Upon Tyne, NE1 6RQ

Chief Economic Adviser

CBI

On the departure of Andrew Sentance to a senior post at the London Business School the CBI will appoint a Chief Economic Adviser (CEA). The post holder will be responsible to the Director General for all aspects of the CBI's economic work: its surveys of business opinions, advice to Government and publications and conference programmes. The CEA will also manage the Economics and Tax Department and will be expected to represent the CBI publicly in many national and European fora.

Salary will be appropriate to a post of this importance.

Applications should be forwarded, enclosing a comprehensive cv, to the Personnel Director, **Confederation of British Industry,** Centre Point, 103 New Oxford Street, London WC1A 1DY. Please quote reference EC1.

Compliance Manager
Global Securities House

City **£ Excellent Financial Sector Package**

Our client is a leading Global Securities House with an impressive client base which includes institutional investors, major corporations, governments and their agencies. They are involved in a broad range of activities including the origination, sales and trading of Fixed Income, Equity, Derivative and Treasury products; M&A, Corporate Finance and Asset Management. They seek to make a new appointment of a Compliance Manager to the existing team.

The Compliance department is an integral part of the business. The new appointee will be expected to manage and provide an advisory, monitoring and liaison service to business areas. The role also includes maintenance of close links with the regulatory bodies, research and investigatory work on technical issues, ongoing surveillance of the business and providing support to the head of the department.

Applicants should be of graduate calibre preferably with a professional qualification such as the Securities Institute Diploma. They should have significant compliance experience particularly with a good working knowledge of SFA and Stock Exchange rules and regulations. Experience of IMRO rules would be an advantage.

Most important, however, are personal qualities including confidence, diplomacy, presence and initiative. First rate written and oral communication and presentation skills are essential as is the ability to work under pressure.

Interested applicants should contact **Anna Williams** on **071 831 2000** or write to her at **Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH or fax a copy of your curriculum vitae on 071 405 9649.**

Michael Page City
International Recruitment Consultants
London Paris Amsterdam Dusseldorf Sydney

SIB

Setting Standards for Investor Protection

The Investor Protection Policy Department within the Securities and Investments Board (SIB) is responsible for the development of standards of investor protection in both wholesale and retail markets, and for SIB policy on the Investors Compensation Scheme.

Two managerial roles have arisen within the department. In both positions the successful candidates will be involved in discussions inside and outside SIB; preparation of policy papers'; formulation of statements of standards; evaluation of SRO/RPB policies etc.

The first role will initially involve responsibility for the areas of safe custody and client money; the second will, at the outset, focus on conduct of business policy for securities/derivative business and investment management. The content of each role is likely to evolve as the department's portfolio changes.

Candidates are likely to be educated to degree standard and may have a professional qualification. They could come from a variety of backgrounds (commercial or regulatory), which have provided City experience or involvement. Experience in formulating policy or strategy would be useful.

Applicants must have a good grasp of the FSA framework, combined with a knowledge of investment business, particularly in capital markets. Equally important, however, are negotiation skills, diplomacy, common sense, authority and the ability to master new briefs quickly.

Interested applicants should in the first instance contact **Anna Williams** to request an information pack at **Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Telephone 071 831 2000.**

Michael Page City
International Recruitment Consultants
London Paris Amsterdam Dusseldorf Sydney

WOULD YOU RATHER HELP BUILD COUNTRIES THAN COMPANIES?

Investment Analysts — London/Overseas

This is a rare opportunity to build not just your own career, but wealth-generating projects in the developing world.

The *Commonwealth Development Corporation* (CDC) provides investment and business support for 240 projects in over 50 developing countries.

We have over £1.4 billion currently invested and are continuing to make new commitments of over £150 million per year.

Our Investment Analysts play a critical role in assessing potential investments and assisting management in the investment decision process.

Initially based in London with the opportunity to transfer to one of our *overseas offices* or managed subsidiaries, this role offers constant variety, as well as the chance to contribute to the infrastructure of the developing world.

To join the CDC team, you should be a qualified accountant or MBA, or have experience in corporate/project finance in a major accountancy firm or bank. You are familiar with sector analysis, computer modelling and preparing/reviewing business plans.

In addition, the ability to speak Spanish would be a distinct advantage.

We offer a competitive package that includes a subsidised mortgage programme, non-contributory pension scheme and child care vouchers.

To apply please write with full CV, enclosing details of current salary and quoting serial number 2352/FT, to:
Valerie Latham, Senior Personnel Executive, Commonwealth Development Corporation, One Bessborough Gardens, London, SW1V 2JQ.

CDC
Britain Investing in Development

SAUDI CAIRO BANK
VACANCIES

The Saudi Cairo Bank, a leading commercial Bank in Saudi Arabia, is seeking to recruit highly qualified, experienced and self-motivated personnel for the following positions at its Regional Offices:

1. Assistant Regional Manager, Retail Services
Supervise the Retail Services of the respective region. Develop business in those Branches to achieve the Bank's Marketing Goals and strategies.

2. Assistant Regional Manager, Corporate Services
Implement policies, rules and regulations related to extension of credit facilities and supervise Credit Managers and Officers of the Corporate Branches of the respective Region.

3. Regional Marketing Manager
Undertake Marketing of all Banking Services to clients and support Regional Branches in Marketing Field.
Make suggestions for introducing new services in respective Regional Branches.

Candidates applying for the above vacancies should have a University Degree in relevant field of study; (10) years Banking experience of which at least (5) years at a Bank in Europe or America for (1-2) jobs and (8) years Banking experience for job (3) of which at least (4) years in same field at a Bank in Europe or America.
Fluency in both Arabic and English is a must for all the above vacancies. Attractive salaries are provided for the incumbents of the above jobs along with fringe benefits (annual bonuses, housing allowance, transport allowance, air tickets and medical treatment for the employee and his family, in accordance with the regulations in force in the Bank).
Applicants should send within one month of this advertisement their C.V.'s accompanied with a recent photo and copies of their qualifications and experiences to:

THE MANAGER, MANPOWER & DEVELOPMENT DEPT.
SAUDI CAIRO BANK, P.O.BOX 11222, JEDDAH 21453
KINGDOM OF SAUDI ARABIA.

بنك القاهرة السعودي
SAUDI CAIRO BANK

Operations Manager

City £ Excellent package

Our client is a major International financial institution and is now intending to recruit an outstanding Operations Manager to help establish its Securities and Capital Markets operation in London.

This new position will report to the Managing Director and be responsible for directing, developing and monitoring the staff and activities of the operations and support departments for securities and money market operations, funds transfer, accounting and administration.

The ideal candidate, preferably a graduate, aged around 35, will have a minimum of 7 years operations experience primarily in a securities environment regulated under SFA. This will include various types of funding transactions, capital markets, documentation, Euroclear, funds transfer, etc. A working knowledge of various types of PC based applications and accounting will also be necessary. This is a new position and will therefore include responsibilities for establishing procedures, team building, training and an ongoing involvement in systems enhancement.

A highly attractive remuneration package is negotiable and will reflect the high calibre of individual we are seeking from this position.

Please reply in confidence enclosing career and salary details to Tony Saw quoting reference T868 at the address below.

KPMG Selection & Search
1-2 Dorset Rise, Blackfriars, London EC4Y 8AE

INVESTORS CHRONICLE

COMPANIES WRITER

We require a financial journalist. The job is an interesting and responsible one, analysing the performance of major quoted companies and giving an informed comment on the shares. Each companies writer has his/her own industry sectors but is expected to work as a member of the team.

Candidates need to be able to interpret a company's financial performance, assess its likely affect on the share price, and put this into clear, concise and entertaining language while meeting demanding deadlines.

Please send applications with CVs to:

The Editor, Investors Chronicle,
Greystoke Place, Fetter Lane,
London EC4A 1ND

FUND MANAGER
PACIFIC BASIN EQUITIES
CITY

A young fund manager is required to join a well-established medium-sized fund management company. The candidate would join a small disciplined team of specialists managing pension and other funds on a global basis.

The successful candidate should be a graduate with at least two years' experience, preferably in Far Eastern markets, but experience of other markets will be considered an advantage.

The position will suit a person who is a proven team player but who now wants to be responsible for his/her own performance.

A competitive salary and benefits package is offered. Please write with your C.V. to:

Box B1886, Financial Times,
One Southwark Bridge, London SE1 9HL

CAREER MOVERS' COMPANION

The UK's leading provider of job search services for private individuals. From preparation of first class CV's & letters to interview training, skills assessment and accessing the unadvertised jobs market.

For your information pack FREEPHONE 0800 622414

Fund Manager – Japanese Equities

The opportunity for an analyst/junior portfolio manager to take responsibility for the management of substantial funds in a major investment management firm.

Our client, a prime London-based asset management company, has an opening for a fund manager in its Japanese Equities department which currently manages assets of over £¾ billion. The principal task will be to take responsibility for the selection of stocks in several market sectors by the application of disciplined research and valuation techniques designed to produce consistent and superior performance.

The position is likely to appeal to research-minded candidates with three to five years' experience in the analysis/management of Japanese equities who feel ready to assume greater responsibility for the management of portfolios. Well developed analytical and communication skills are a prerequisite and applicants must be able to demonstrate a successful academic and career record to date as well as a high degree of energy, self-motivation and team mindedness.

In addition to a competitive salary and benefits package and an attractive *performance-related* bonus plan, the position offers excellent career development prospects and the opportunity to work in a modern and friendly atmosphere within a company well positioned for future growth. If you would like to be considered for this opportunity, please write in complete confidence to: **IMR Recruitment Consultants, No. 1 Northumberland Avenue, Trafalgar Square, London WC2N 5BW (Tel: 071-872 5447).**

IMR

INVESTMENT MANAGEMENT RESOURCES

RESEARCH DEPARTMENT – BUSINESS DEVELOPMENT MANAGER

CITY

Our client, a major global securities firm, is seeking a Business Development Manager to join its Research department. The role involves analysing the research needs of the business and its client base with the objective of ensuring that the services provided meet the future needs of the firm's clients. The firm is expanding its range of services and the person recruited to this position will work with the Head of Research to help prioritise and manage the implementation of the new initiatives.

The successful candidate will be self-motivated and able to interact at all levels of the firm. A strong analytical mind is important as is the ability to work to tight deadlines. Good implementation skills will be vital. Several years' experience in a leading financial institution, although not necessarily in a securities research department, would be an advantage.

The career prospects arising from this position are excellent. Opportunities for the right candidate will be many and will encompass a wide range of the total activities of the firm.

Applications in writing to Gertrude Nelson, Ref. 041011, DMB&B Financial, 5 Charles II Street, London SW1Y 4AA.

Your details will be forwarded direct to our client.

Please list on a separate sheet any companies to which your details should not be sent.

The confidentiality of all approaches is guaranteed.

DMB&B FINANCIAL

APPOINTMENTS ADVERTISING

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.

For further information please call:

Gareth Jones on 071 873 3199

Rachel Hicks on 071 873 4798

Andrew Skarzinsky on 071 873 3607

FIXED INCOME SALES

Our client is the securities arm of a leading Northern European bank. As one of the region's leading primary houses, they have an unrivalled reputation in the secondary market and wish to expand their bond sales desk in London.

Candidates should be graduates, in their late 20s with 3 to 5 years experience of selling international fixed income products to UK institutions and have a particular interest in the Northern European bond markets. With proven sales ability and strong self motivation they are now likely to be seeking the greater scope and earning potential of joining a smaller, but highly successful, dynamic team.

For an initial discussion in confidence please contact us, quoting reference 4842, at 20 Cousin Lane, London EC4R 3TE. Telephone 071-236 7307, or Fax 071-489 1130.

STEPHENS SELECTION

A PART OF STEPHENS CONSULTANCIES
London Edinburgh New York Hong Kong

Securities Lending/Repo Trader

The Northern Trust Company is seeking to expand its highly successful Securities Lending business by recruiting a Trader.

Applicants should be highly motivated achievers looking to join a team lending international equities, sovereign debt issues and Eurobonds. Of graduate calibre, they should offer experience in stock lending, repos, short-term money market instruments or other investment related products. Candidates will combine this market knowledge with the ability to work at a detailed level in a fast-paced and pressurised environment. Additionally, they will have strong communication and negotiation skills and the analytical and decision making ability to succeed.

The successful candidate will join an organisation committed to delivering the highest quality custody and securities lending services for its expanding worldwide client base. The rewards include a competitive compensation package including an incentive bonus and full banking benefits.

Applicants should write to: Jackie Drabczynska, Human Resources Department, The Northern Trust Company, 155 Bishopsgate, London EC2M 3XS enclosing a full Curriculum Vitae.

SENIOR SWEDISH ANALYST

City — Highly competitive salary

Our client, a leading Scandinavian investment bank, is seeking to recruit an experienced Swedish equities analyst to join its highly successful sales team in London.

Working as an integral member of the team, the individual will be expected to have at least five years' experience of the Swedish market. Candidates will be graduates, aged 28 to 32, with experience of working in a similar financial institution in Sweden. Fluency in Swedish and English is essential.

Hard work and success will be well rewarded, in terms of both remuneration and career progression.

Interested candidates should send a full curriculum vitae, including details of current salary, to Carol Jardine, Managing Director, Whitney Selection, 17 Buckingham Gate, London SW1E 6LB, quoting reference number WS/09/3.

THE WHITNEY GROUP

WHITNEY SELECTION

A prominent and well established GCC Bank, located in Bahrain, currently embarked on a strategic business expansion and professionalisation plan invites applications from qualified professionals for the position of

MANAGER - FOREIGN EXCHANGE

MAJOR RESPONSIBILITIES

- Manage the Bank's Foreign Exchange Desk.
- Actively trade in the market for the Bank and its clients.
- Determine strategies for trading positions to maximise profits.
- Maintain relationships with customers and market counterparties.

POSITION REQUIREMENTS

- Minimum 10 years relevant experience in FX and FX-related products including SWAPS, Futures and Options.
- Advanced knowledge of FX markets, economic trends and analytical methodologies.
- Strong numerate and decision making skills with the ability to work in an automated environment.

This is a challenging position with excellent salary and benefits and career prospects.

Please mail your application to: Ref: RL2, P.O. Box 5518, Manama, Bahrain.

FT/0843

BUSINESS HEAD - PUBLIC SECTOR FINANCE

Salary circa £50,000

Full Banking Benefits and Performance Bonus

We are a well established, successful Bank incorporated in the UK, possessing a strong profit record. The Commercial Division is relocating to our West End offices to accommodate growth in our core lending businesses: Residential Mortgages, Corporate Real Estate, Aviation Finance and Housing Association Finance.

We require a senior, experienced lending banker, to expand our existing commitment to Housing Association Finance and build a new Public Sector Finance business. Reporting to the Head of Corporate Lending, the successful applicant will have a solid track record in Public Sector Finance, possibly specialising in Health or Education.

He/She will demonstrate impressive credit and communication skills and the personal maturity and presence needed to build senior relationships with Local Authorities and Financial Institutions. Above all, the appointee will be a clear thinker, more inclined to lead by product innovation and development.

In the first instance, please forward a full CV in confidence to:

Angela Youels,
Personnel Manager.
The United Bank of Kuwait Plc,
3 Lombard Street,
London EC3V 9DT.

Monetary Economist in Hong Kong

G T Management, the International Investment Managers, is seeking a young, well qualified Economist to join our Economics team based in Hong Kong which is headed by John Greenwood. As part of the team you will provide input to GT's worldwide asset allocation decisions and contribute to three publications, the widely followed Asian Monetary Monitor, Global Trends and Emerging Market Trends. You will also make presentations to investment managers and clients. Travel will be a necessary part of your job.

You will probably be in your late 20s or early 30s with an advanced degree in economics and/or have 2/3 years experience in the financial markets. Previous experience of work on Asian economies would also be an advantage. Literacy, numeracy and the ability to work to tight deadlines are essential. Computing skills would be an advantage for this challenging position.

The initial package will be a good expatriate one including the provision of accommodation in Hong kong.

Please send your full curriculum vitae with samples of you recent work to: John Greenwood, G T Management (Asia) Ltd, 17th Floor, Three Exchange Square, 8 Connaught Place, Hong Kong.

Head of Personnel

European Bank

Our client is a leading European banking group with a high profile in a number of markets including the trading of treasury and capital markets products, corporate finance and general corporate banking.

A senior personnel professional is required to manage a small, well established team involved in the full range of generalist personnel and human resource issues including recruitment, compensation and benefits, employment law, appraisals, policy issues and general administration. In addition to the day-to-day management of the team the role will include "hands-on" personnal responsibility for the London front office sales and trading function.

Reporting to the Head of the London Branch the successful candidate will be required to work closely with senior management providing a personnel service that will impact on the overall effectiveness and efficiency of the London operation.

Given the demanding nature of the role it is unlikely that the appropriate candidate will have less than 10 years generalist personnel/HR experience and a sound appreciation of the banking or securities industry. A thorough knowledge and understanding of both pension schemes and expatriate policies is highly desirable. He/she must also possess proven man-management, administrative and organisation skills. Persuasiveness, diplomacy and well developed communication skills are prerequisites.

This represents an excellent opportunity for a senior personnel professional to move into management. The position attracts an excellent basic salary and the rewards will include a comprehensive range of banking benefits.

Interested candidates should write to Paul Mewis at BBM Associates Ltd (Consultants in Recruitment) on 071-248 3653 or write, sending a detailed Curriculum Vitae, to the address below. All applications will be treated in the strictest confidence.

76, Watling Street, London EC4M 9BJ

BBM ASSOCIATES

Tel: 071-248 3653
Fax: 071-248 2814

EQUITY DERIVATIVE SALES

min £80,000 + Substantial Bonus

On behalf of an international bank we wish to appoint a high calibre salesperson. The successful candidate will be responsible for the sales/marketing of exchange traded and OTC equity derivatives to a UK and European customer base. Individuals will ideally be in there late 20's early 30's and possess a proven track record within a major institution.

Please contact Philip Ashby Rudd on 071-623 1266.

Jonathan Wren & Co. Limited, Financial Recruitment Consultants
No. 1 New Street, London EC2M 4TP Telephone 071-623 1266 Facsimile 071-626 5259

JONATHAN WREN EXECUTIVE

Group of Middle East investors with extensive involvement in real estate is looking for a

GENERAL MANAGER

Multi-Purpose Real Estate Development Company (Middle East)

To manage a newly formed real estate company with a significant capital base. The company's objective is to develop a sophisticated and creative approach to housing, commercial and office space development throughout the Kingdom of Saudi Arabia.

The ideal candidate should have a track record in similar projects with major companies in Europe and/or North America. He should have a solid technical background (architect or engineer), possess affirmed management skills (finance, human resources) and be fluent in English. Located in the Middle East, the successful candidate will be responsible for setting up and directing the appropriate structure in order to manage from A to Z the considered projects. A competitive compensation package is offered commensurate with the job description and candidate qualifications.

Please apply with C.V. to:
SWICORP FINANCE S.A. Attn. Mr, David Rey
13, cours des Bastions, 1205 Geneva, Switzerland
Fax: +4122 / 789 48 14

P F M

RESEARCH ANALYST

Tunbridge Wells

Since its inception in 1979, Personal Financial Management Limited has become established at the forefront of sophisticated financial planning and investment management services.

A newly created opportunity now exists for a graduate with a minimum of 2 years' research experience, ideally gained within an equity investments environment. Compiling investment literature and statistics, monitoring market trends and reviewing broker research will form part of this challenging role.

You should enjoy working both on your own initiative and as part of a highly committed team. Organisation, flexibility and confidence in your ability to communicate at every level are essential qualities, together with a naturally analytical approach.

If you have the attributes we seek, then our client offers a highly competitive remuneration package, together with excellent opportunities for career development.

For a job specification and further details, please contact Lindsey Gibbinson, Challoner James, 131-133 Cannon Street, London EC4N 5AX.

Tel: 071 220 7216 Fax: 071 283 7526

CHALLONER JAMES

PROFESSIONAL RECRUITMENT SERVICES
TO THE ACCOUNTANCY WORLD

Institutional Equity Sales

Our client is a leading international securities house with a significant global presence. The continued growth and expansion of their equity sales division has identified the need to recruit several institutional equity sales persons, ideally with 3-5 years experience in the UK Equity Market.

There is an additional requirement for an experienced smaller companies sales person with strong institutional contacts.

Candidates must have: –

– A confident and professional approach – – A proven ability to work as part of a team –
– Excellent communication and presentation skills –

The remuneration is highly competitive. Applicants should send their Curriculum Vitae and details of current earnings to: Nigel Viney, at the address below.

Gemini Executive Limited

St George's House, 24-28 Bloomsbury Way, London WC1A 2PX. Tel: 071 405 3388 Fax: 071 405 6155

L O N D O N — H O N G K O N G

BUSINESS/INVESTMENT ANALYSIS

Recently formed research consultancy offers high quality service, based on proven experience, to investing institutions, stockbrokers, venture capitalists, corporate advisors etc. Contract or project basis.

Write to Box B1879, Financial Times, One Southwark Bridge, London SE1 9HL

RESEARCH-ANALYSIS

QUANTITATIVE RESEARCHER — NEGOTIABLE

Top City based House requires a candidate, aged 27-32 with a PhD or MSc in a mathematical subject and 2-3 years experience in equity derivative research. A knowledge of mathematical models and simulation methods is essential.

UK BANKING ANALYSTS — NEGOTIABLE

Top Analysts required by several Investment Houses for this sector with at least 2-3 years experience.

For further details please call Stephen Donnellan on 071-377 6488 or send a CV to Cambridge Appointments, 232 Shoreditch High Street, London, E1 6PJ, Fax: 071-377 0887

Swiss woman, 24, (Germ, Engl.) is seeking a position as a

PERSONAL ASSISTANT

Min. one year. Must be possible to study French, ap. 3h per day. Excellent references available. Driving-Licence. Cipher 44-133214 Publicitas, PO Box, CH-8021 Zurich

Investment Banking

Energy Industry – CIS

London Based **Russian Speaker**

Our client is a major US bank with a reputation for excellence in investment banking worldwide. The London office has developed a particular specialisation in Eastern Europe and the CIS and a specialist division within the bank is responsible for servicing clients in the energy industry.

An exciting opportunity has arisen for an individual to concentrate on developing business within the substantial energy industry of the CIS. Investment Banking services will include capital markets and derivative products, structured and tax financing, corporate and project debt, M&A and corporate finance.

Candidates will be graduates with at least 8 years experience of a range of products acquired at a leading investment or merchant bank. A detailed understanding of the oil industry (particularly within the CIS) is a prerequisite, as is an appreciation of the deal negotiation process within the region. Fluency in Russian and established local contacts are essential and a professional qualification or MBA is highly desirable.

In addition to excellent long term career prospects the rewards will include a highly competitive remuneration package.

Interested candidates should write to Paul Mewis at BBM Associates Ltd (Consultants in Recruitment) at the address below enclosing a detailed Curriculum Vitae. All applications will be treated in the strictest confidence.

76, Watling Street,
London EC4M 9BJ

BBM ASSOCIATES

Fax: 071-248 2814

Geneva based Trading Company
Member of a large international group seeks a:

SENIOR TRADER

FERROUS AND NON FERROUS METALS

Candidates should possess the following :

- Minimum 10 years experience as a Senior Metal trader,
- Experience in barter and trading with Eastern Europe and Middle East,
- Speak English and French,
- Computer knowledge preferably.
- Must have a large contact base of suppliers and clients.

A very attractive package and bonus will be offered to the right candidate:

- No residence Permit restrictions.
- All applications will be treated in strict confidence.

Please send CV to Box B1898, Financial Times, One Southwark Bridge, London SE1 9HL

ALBERT E SHARP

FAR EASTERN FUND MANAGER

Albert E Sharp is one of the largest wholly independent stockbrokers in the UK with offices in Birmingham, London, Bristol and Manchester. The firm has over 350 employees.

Due to the rapid expansion of its International Fund Management activities, we are exclusively retained to recruit an executive to take up the position of Far Eastern Fund Manager. The successful candidate is likely to be professionally qualified with at least six years experience in managing Far Eastern investments and with the ability to assume immediate responsibility.

Our client is seeking to appoint an individual of the highest calibre and a competitive package will be offered.

Please reply in strictest confidence to:

Marise I Palmer
Wrightson Wood
63 Duke Street
London W1M 5DH

I. D. E. A.

"the essence of market intelligence"

ECONOMISTS

I.D.E.A.. seeks economists for both London and New York operations to analyse and provide advice to clients on financial markets. The ideal candidates are expected to have a degree, preferably with a post-graduate qualification, in economics.

In London we are looking for a recent graduate or someone with 1-2 years experience of analysing the UK economy. For New York our preference is for someone with more than 2 years experience focusing on the North American bond and currency markets. Duties would include writing market commentaries and undertaking economic forecasting.

Candidates must already have the right to work in the UK or US respectively. A competitive salary package is offered.

Please forward your CV to **Graham McDevitt** at:

I.D.E.A. Ltd
Lincoln House
296 High Holborn
LONDON WC1V 7JH

Investment Assistant - Fixed Interest

CITY

Refuge Assurance a leading life assurance company and a member of publicly quoted Refuge Group is seeking an investment assistant to join its small team based in London managing assets in excess of £3bn. Reporting to the manager of the fixed interest portfolio the position demands a keen interest in financial matters and evident mathematical competency.

An Honours degree and good communication skills including the ability to produce well written reports are also essential.

Please send your CV and details of your career aspirations to:
Sue Fisher, Personnel Officer, to arrive by Friday 19 November.

REFUGE
Assurance PLC

REFUGE ASSURANCE PLC REFUGE HOUSE ALDERLEY ROAD WILMSLOW CHESHIRE SK9 1PF

Gerald Limited

LIFFE ADMINISTRATION MANAGER

Gerald Limited is a leading clearer of Futures and Options in London maintaining memberships on all major London exchanges. On LIFFE we are an important clearer of Locals, Institutions and Funds. As part of the expansion of our management team we require an individual to join our team in a senior administrative capacity taking administrative responsibility for our LIFFE business which is located at 62 Queen Street, close to the exchange.

As our primary objective is to provide an impeccable administrative service to our clients the individual should have a strong administrative background on LIFFE with a strong knowledge of all administrative aspects of a LIFFE operation and preferably a familiarity with dealing with Locals. The individual will be responsible for all our activities at the office which will include full operational control, responsibility for all administrative aspects of client relationships including seat leases, customer accounting etc. The individual will have to work very closely with the individual responsible for our Floor Activity on LIFFE as well as our Senior Management and operations group at our Head Office which is located at the address below.

It is unlikely that an individual with less than five years experience on LIFFE would have sufficient experience, however, an individual with a very strong general operational background on another market may well be appropriate.

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All replies, which will be treated in the strictest confidence, should be addressed to in writing or by telephone to

Nikki Vernon-Browne, Gerald Limited, Europe House, World Trade Centre, St. Katharine by the Tower, London E1 9AA
Tel: 071-867 9400

LADY MARGARET HALL, OXFORD

THE PRINCIPALSHIP

The Fellows of Lady Margaret Hall propose to elect a successor to the present Principal of the College, Mr Duncan Stewart, who intends to retire in September 1995. Any suitably qualified person who wishes to apply, or would like to suggest the name of another person who might be considered, is invited to write in confidence to the Vice-Principal, Lady Margaret Hall, Oxford OX2 6QA, from whom Further Particulars may be obtained. The closing date for applications is Friday 10 December 1993. The College's choice will not necessarily be limited to those whose names come forward at this stage.

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ACCOUNTANCY COLUMN

Frustration down the line for litigation reform

Andrew Jack reports that the campaign by firms to limit liability is in danger of running out of steam

PAPERS circulating behind the scenes among the UK's larger accountancy firms show that there has been considerable thinking on changes in the law to shield them from the effects of law suits. So far, there has been rather less of a result.

At issue is whether the firms should be protected from the risks they currently run of being made responsible for paying out legal damages in excess of their culpability in an audit following the financial collapse or failure of a company.

Against them stand parliamentary priorities perceived to be more important, intransigence, fears of jeopardising the public interest and a wall of unsympathetic investors, banks, and even accountancy firms.

The UK profession has lagged behind its compatriots overseas in its campaign, in spite of its long-standing and relatively prominent position among firms both damaged by legal settlements – such as over Ferranti and Johnson Matthey Bankers – and by potential claims, most voluminously in relation to the Bank of Credit and Commerce International.

Australia and the US have seen longer-running efforts to bring about reforms, with sophisticated lobbies developed to appeal for changes in the law over several years.

The first public indications that the UK was at work came this spring. Ian Greer Associates, a political lobbying firm, launched a programme of interviews with politicians, companies and opinion formers to assess their views on the subject.

The largest eight accountancy firms have since commissioned Greer on a longer-term contract to advise on reforms. Steering the developments are a trio of senior partners, from Arthur Andersen, Coopers & Lybrand and Price Waterhouse.

A detailed, confidential discussion document obtained by the FT which was prepared in late March this year and runs to nearly 20 pages, provides an insight into the firms' strategies. It has since been updated, but is believed to still take broadly the same line.

It cites despairingly from the Department of Trade and Industry-sponsored report on auditors' liability submitted in 1989; which was prepared by Professor Andrew Likierman – recently appointed as the government's chief accountancy adviser.

The paper notes that little of its advice has been implemented, and that its recommendations are, in any case, "somewhat more muted than one would have wished".

It stresses that the potential damages facing accountants have escalated considerably since and argues that the current system is unjust, jeopardises the range of services now provided, and risks larger firms shedding "high risk" companies. It argues such a move would be against the public interest, no doubt much to the chagrin of smaller firms which might inherit these audits.

It also hints that without reform auditors might refuse to honour their commitments in the recommendations of the Cadbury committee report on the financial aspects of corporate governance, notably in verifying statements on whether a company is a going concern and in ensuring that descriptions of internal controls are accurate.

The paper suggests five options:

- Incorporation of accountancy firms so they would conduct audit business as companies with limited liability.
- The introduction by law of a statutory cap on liability, as already exists in Germany at DM500,000.
- Reforming the law on joint and several liability, to make damages proportionate to blame rather than the current system where a defendant can be made to pay all an award.
- Compulsory insurance for directors and officers of companies, to ensure that these individuals have assets worth pursuing through litigation, rather than accountants being the sole target for redress because they have "deep pockets".
- Amending section 310 of the 1985 Companies Act (as the Likierman report suggests) to permit auditors to limit their liability by contract.

It goes on to dismiss the first three options. Incorporation, it argues, would still leave those involved in an audit vulnerable to personal liability in negligence cases and does not fully address the problem.

A statutory cap would be most appealing, by giving certainty to the level of potential liabilities as a result of litigation. But it argues that such reform has twice foundered in Australia, and that there are "real difficulties in convincing governments that capping legislation is necessary and equitable".

Reforming joint and several liability would require fundamental change on a principle which most parties consider equitable, and hence could prejudice other more likely proposals for reform.

That leaves the provision of directors' and officers' insurance, which it endorses, and the amendment of the 1985 Companies Act. It suggests a minimum limit on liability in an audit contract of at least 10 times the audit fee, and not below £50,000 for a sole practitioner or £100,000 for other professionals.

These figures are believed to be merely initial and illustrative, and the firms claim to be willing to be very open to negotiation on limits. They have also stressed in private that they have no problems paying out heavily where they are found to be at fault.

But the campaigns for litigation reform seem to have been losing steam around the world. In Australia, proposals in New South Wales to introduce a cap on liability have foundered. In the US, many businesses have supported the efforts of Ceass, the coalition to eliminate abusive securities suits, which was spearheaded by the "big six" accounting firms. It hopes for a draft bill next year, though sentiment at public hearings held in the summer was not entirely favourable.

Similarly in the UK, the campaign also seems to have lost some of its steam. The great groundswell hoped for this year has been postponed. Deputations have returned empty-handed, though not without hope.

Over the summer, the senior partners of the larger firms met Mr Neil Hamilton, minister for corporate affairs at the Department of Trade and Industry, and received what they considered to be a sympathetic hearing. Their representatives have since met officials several times.

On the other hand, as one senior Whitehall official put it: "There was a certain level of, shall we say, healthy scepticism about the proposals." They have been asked to come back with a stronger case which stresses how no group would be prejudiced by their proposals.

They have also agreed to provide further financial details on their case, by collating aggregate figures on the costs of insurance premiums, legal awards and other related expenses connected to litigation.

Above all, they still need to demonstrate how truly financially damaging litigation is proving, and to clarify their stance in cases where there genuinely has been poor audit work.

In the meantime, the firms plan to gather further support from industry for their proposals. They have drawn some comfort from a sympathetic statement calling for reform by the Confederation of British Industry.

They can also hope for responsiveness from a new committee created by the Institute of Chartered Accountants in England and Wales, which expects to debate proposals by early in the new year. But many smaller and medium-sized firms seem to view the debate as irrelevant.

They may approach government officials again during the spring, and aim to build support with a more public campaign over the summer. Even if things go extremely well, they are unlikely to be able to squeeze any proposals on to the legislative agenda as soon as next year.

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The successful applicants will ideally be under 40 years of age, computer literate and have experience gained in a healthcare environment. A working knowledge of Arabic would be a distinct advantage. Candidates should apply, enclosing a full CV, to:

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Financial Controller – Prague
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A recently qualified accountant is required to take full responsibility for all aspects of management and statutory reporting for the Czech operation. This is a "hands on" role necessitating effective communication both locally and with London. A Czech or German speaker is preferred. Ref: 22/1609.

Head of Finance and Administration – Moscow
The small Moscow office is targeted for significant growth in 1994. This will concentrate on consolidating current M&A activity and the sourcing of Russian Debt and Equities.
To facilitate this development, a young, enthusiastic qualified accountant is required to manage the establishment of appropriate financial and administrative controls. A Russian speaker is preferred. Ref: 22/1610.

In both cases the willingness to show initiative and to take on a broad range of responsibilities in a small office environment will be essential. Remuneration packages, which will be paid in US$, will reflect the international nature of these appointments and will include relocation assistance amongst other benefits.
Interested applicants should send a full CV to Tim Musgrave at Morgan & Banks Plc, Brettenham House, Lancaster Place, London WC2E 7EN quoting the relevant reference number, or if you prefer, call on 071-240 1040. Facsimile number 071-240 1052.
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Applicants should send a detailed c.v. **quoting ref FT1193** to:

Ian Tomisson,
Management Consultancy Recruitment Division,
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CARGILL

Interested candidates should contact Jacqueline Long on (44) 71-387-5400 (evenings and weekends on (44) 81-876-5333). Alternatively write to her at **FSS Europe**, Drayton House, Gordon Street, London WC1H 0AN.

FSS EUROPE

CHALLENGING SENIOR MANAGEMENT OPPORTUNITY

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VALUE FOR MONEY AUDIT DIVISION
OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL

This is a senior level position and the person appointed will be responsible for the strategy, direction and management of the newly-formed Value for Money Audit Division in the Office of the Comptroller and Auditor General.

The key responsibility of the position will be to advise on and implement, on an ongoing basis, a value for money (VFM) audit strategy which will deliver high quality and relevant reports in an economic and efficient manner. The person appointed will, in addition, be a member of the Management Committee of the Office.

The position is likely to be of interest to persons with management or consultancy experience at a senior level in either the private or public sector.

THE SUCCESSFUL CANDIDATE WILL:

- possess a proven record in business analyses and performance evaluation;
- have displayed a capacity to operate effectively at a senior level in an organisation;
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The appointment will be on a five year contract basis and it is expected that the appointee will take up duty in early January 1994.

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Sound interpersonal skills are a must; and a background working for a European branch of a U.S.-owned company would be a definite plus.

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The Head of Taxation will be responsible for developing UK and overseas tax policies, gaining acceptance of them and ensuring they are achieved. A key requirement is to establish strong communication lines with divisional finance teams and to develop the central team in support of them. This is essentially a "shirt-sleeves" role demanding the ability to operate effectively at both strategic and detailed levels, reporting on the tax issues to top management.

The successful candidate will probably be aged 35-45 and will have displayed a high level of responsibility, maturity and personal initiative in his/her career to date. Ideally, he/she will have performed a similar role within commerce with broad exposure to UK, USA and other international tax issues, and with significant team-management experience. Leadership and communications skills are critical selection criteria for this position.

For further details on this exceptional opportunity, please contact **Chris Nelson on 071 831 2000 (evenings and weekends on 081 785 6191)** or write to him, enclosing a comprehensive CV, at **Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.** Strict confidentiality is of course assured.

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Whilst exposure to a banking audit and/or due diligence work would be an advantage, more important by far will be your ability to match our high standards of quality and dedication. In order to do this, you will be a graduate (minimum 2i degree) with 1st time ACA passes from a top six UK-based firm and a maximum of 12 months p/q experience.

In addition a confident, outgoing personality, along with a high degree of maturity and professionalism are essential and preference will be shown towards those fluent in another European language.

If you think you have the intellectual capability and the personal qualities necessary to meet either of these challenges, **please contact Fiona Keil on 071-405 4161 or write to her enclosing a recent CV and note of current salary, at 5 Bream's Buildings, Chancery Lane, London EC4A 1DY.**

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Candidates, aged 30-36, will be graduate, qualified accountants with an impressive record of success gained in a fast moving, service driven, international environment. Excellent managerial and communication skills, high levels of drive and a practical, hands-on approach to business problem solving will be essential.

Interested applicants should forward a comprehensive CV, quoting ref 165000, to **Mark Hurley ACMA, Executive Division, Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.**

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Following a recent restructuring a new position of Chief Accountant has been created. Reporting to the Financial Controller key responsibilities will include:

- Control of all areas of financial and management reporting
- Compilation of budgets, forecasts and long term plans
- Implementation and development of management information systems
- Assisting in the formulation of strategy and policy making
- Management and development of a high profile team of accountants
- Commercial liaison across all functions and at all levels within the business

Successful candidates will be qualified accountants, aged 28-35 with operational experience acquired within a total quality manufacturing/engineering environment. Knowledge of MRP2 and advanced costing techniques would be advantageous. In addition, strong communication skills and demonstrated commercial acumen are important prerequisites. In return the Group offer an attractive package including relocation assistance if required. Considerable opportunities for career development exist within the Group.

For further information please write including a comprehensive CV showing current salary and benefits to **Joe Graham BA CA** or **Paul Toner** at **Michael Page Finance, 29 St. Augustine's Parade, Bristol BS1 4UL** and quoting reference number 154211.

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Since its establishment in the 1980s, this young, forward looking investment management company has achieved significant expansion, through both acquisition and organic growth.

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Key tasks will include:

- Contributing to the strategic development of the business
- Monthly financial management reporting, including financial results, budgets, forecasts and plans
- Monitoring and developing their complex suite of financial and administration systems
- Day to day management of small departmental teams of staff
- Reviewing and maintaining administration and compliance processes.

To qualify for the appointment, you will have a strong track record at a senior level within an asset/investment management organisation. Ideally you will be a qualified accountant or have a strong financial/management background, and, most importantly, have experience and knowledge of IMRO.

In personal terms you must be a team player with natural leadership qualities. Good communication skills, plus evidence of achievement at both strategic and operational level is a prerequisite.

Please write, enclosing a full CV and quoting reference J/1411 to Judith Richardson at the address below:

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The position of Group Financial Controller now becomes vacant as a result of internal reorganisation, the position being fully recognised as one of the key roles within the Group. Emphasis in the position will centre around the maintenance of high standards of control over the form and content of the management and statutory accounts, together with the budgeting process. You will then have responsibility for identifying that appropriate measures are taken to address areas needing corrective action. In addition, you will help control the financial integration of acquisitions and the necessary financial arrangements relating to disposals.

As an individual you will be a graduate member of one of the major accounting bodies with the ability to address complex financial and accounting issues and deliver solutions and results within strict time scales. You should have the courage of your convictions and possess the high standard of communication skills necessary to convey your message to senior colleagues. The position will demand very strong technical accounting skills together with hands-on operating experience. A working knowledge of a European language and competent computer skills are necessary.

This is a high profile appointment which offers attractive opportunities in a progressive group.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence to John Elliott, Coopers & Lybrand Executive Resourcing Limited, 76 Shoe Lane, London EC4A 3JB, quoting reference JE258 on both envelope and letter.

Executive Resourcing

Finance Director

London c£65,000 + options + car

Our client has established an enviable worldwide reputation, carving out a niche position within the business communications industry. Formed nearly 20 years ago, it has an impressive client base in both private and public sectors.

The immediate priority is to appoint a Finance Director with the necessary financial skills to enhance the existing infrastructure of financial controls and procedures across this multi-operational, "time-based" business. Strong IT skills are required, together with the experience and presence to handle a possible future flotation.

To succeed in this role, the Finance Director must assume front-line accountability, becoming closely involved in the detail of the business and providing considered financial control, analysis and evaluation of business issues, both in the UK and on an increasingly international basis.

A Chartered Accountant, aged 35 plus, with effective communication skills, you must be able to demonstrate a proven track record in a fast-moving service organisation.

Please send a full CV, quoting reference B/444/93 to Steven French.

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The key objective will be to provide a focused, creative management accounting service for Business Management. Responsibilities include:

- analysis and interpretation of business performance
- review of commercial risks and opportunities
- preparation of management accounts and flash results
- new product costing
- pricing advice
- systems development.

At least two years' PQE gained within a large FMCG organisation is a minimum requirement for this role. (Ref 0412)

Management Accountant – Production

Based in the production function at Group HQ, this role has responsibility for coordinating the production of management information for four 'state of the art' manufacturing plants. Duties will encompass:

- budgets, forecasts and flash results
- product costing and input to new product development
- factory performance review
- capital expenditure appraisal
- systems development
- advice and support to production management

A minimum of two years' PQE gained within a large manufacturing group is required for this post. (Ref 0413)

Aged 26-30, candidates must be graduate calibre qualified accountants with broad technical experience including: product and standard costing and a knowledge of networked PCs and mainframe systems.

Personal qualities must include professional credibility, a robust but adaptable personality, together with excellent communication and interpersonal skills. At a time of great change, mental agility and the ability to develop creative solutions to business problems are vital attributes.

Applicants should write, enclosing a Curriculum Vitae and details of current salary, to Tony Martin, Martin Ward Anderson, Goswell House, 134 Peascod Street, Windsor, Berkshire SL4 1DS. Please quote the appropriate job reference number. Alternatively, telephone him on 0753 850881 or 081-398 7909 (evenings and weekends).

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MANAGEMENT ACCOUNTANT - INTERNATIONAL SECURITIES MARKETS

PACKAGE C. £45K

Outstanding investment performance and leading-edge technology have made Buchanan Partners a leader in applying quantitative techniques to securities markets in Europe, Asia and Latin America. Our hedged investment techniques include multifactor equity modelling, statistical trading techniques, risk arbitrage and derivative arbitrage. Due to continuing expansion in the hedge funds under management we are looking for a further accountant within our return-oriented investment team.

Candidates must be qualified accountants with a strong academic record and have at least two years experience within an investment management or securities trading environment. They should have excellent technical skills together with the ability to implement systems solutions in a PC based environment. A broad knowledge of financial instruments including derivatives would be an advantage.

Compensation will not be an issue for highly motivated candidates. The attractive remuneration package will include participation in the firm's profits.

Please send your cv to:

Nicholas Moran
Finance Director
Buchanan Partners Limited
Buchanan House
3 St. James's Square
London SW1Y 4JU

Fax: (71) 973-8072

BPL
Member of SFA

Accounting Manager

Leading Worldwide Financial Institution

to £65,000 Package **City**

Our client is one of the world's largest and most successful US worldwide securities houses. An opportunity has arisen within the European Finance Group for a high calibre professional to head up one of the financial accounting groups.

Reporting to the Controller - Europe, with the assistance of a dedicated team of 15, your responsibilities will include:

- Accounting and control of the substantial European expense base including accounts payable, cashiering, fixed assets and expense allocation functions.
- Liaison with the US head office and other European offices on all expense reporting and control issues.
- Active involvement in and initiation of enhancements to financial controls and systems.
- Preparation of stationary accounts and ad hoc projects and reporting.

Candidates will ideally be aged between 30-35, be a graduate ACA with no less than 6 years PQE, preferably within a financial services group. You will possess a strong financial accounting background, and be highly computer literate. The nature of the position demands a mature, performance orientated and flexible individual who is able to competently work with senior Finance and Business Management and to exact the best from those working in the team.

This represents an outstanding opportunity to join a highly prestigious organisation with excellent potential for career progression, based on individual merit.

If you believe you have the pre-requisite skills and drive, then please write, enclosing your CV to the advising consultant Jonathan Kidd, at Harvey Nash PLC, Dragon Court, 27-29 Macklin Street, London WC2B 5LX. Telephone 071 333 0033. Please quote Ref: HNF105.

HARVEY NASH PLC

Treasury Manager

West London **c.£40,000 + Car + Benefits**

Our client is a major force in the entertainment and information businesses. The ongoing process of cultural change which currently pervades the organisation has led to a reallocation of responsibilities. As a result, an exceptional opportunity has arisen for a banking and treasury specialist.

Reporting to the Group Treasurer, this individual will develop a control framework which promotes greater commercial discipline, increased efficiency and cost minimisation. Initial priorities will be to improve cash flow management, optimise banking procedures and introduce more cost effective systems for handling payments and receipts. The ability to provide a proactive, responsive service to accounting departments and business managers will be a critical success factor. Additional responsibilities include deputising for the Group Treasurer and ad hoc project work.

Educated to degree level and holding, or committed to, an ACT qualification, candidates should have 3-4 years' relevant treasury experience which includes management of large, diverse cash flows, exposure to electronic banking systems, familiarity with EFT/EDI developments and in-depth knowledge of UK banking/money markets. An additional banking, accounting or MBA qualification is highly desirable. Essential personal qualities include initiative, adaptability and first class communication skills. This position represents a step on the career ladder, rather than a 'job for life', and will suit an ambitious professional with a track record indicating drive, energy and desire to progress.

Please write, in confidence, enclosing full career and salary details, to Tim Knight, quoting reference TCK1111.

KPMG Selection & Search
1-2 Dorset Rise, Blackfriars, London EC4Y 8AE

FINANCIAL CONTROL AT THE NERVE CENTRE OF THE BUSINESS

Package to £45K + car – Bristol

Launched only 10 months ago, National Westminster Life Assurance has already climbed into the top 20 list of UK life companies. In the first six months we achieved £58 million in new business income from a standing start... a phenomenal performance universally acknowledged by our industry competitors.

Management Services Division (MSD) is the nerve centre of the entire business, being responsible for the development, implementation and support of leading-edge IT systems. As such it drives the company as well as Facilities Management, Business Analysis and other key strategic functions.

The appointment of a Financial Controller to MSD is a priority now that the company is successfully up and running and building for long-term growth.

An open brief, to investigate, recommend and implement effective financial controls and management, will be given to the qualified accountant we're seeking for this predominantly project-driven environment.

Your mission will demand the stature to gain immediate respect of senior managers, the sensitivity to impose changes without damaging relationships, and the tenacity to win acceptance for new courses of action. You will be working within the overall framework of corporate objectives and there will also be an involvement in Corporate Financial Management strategies such as Activity-Based Costing.

Such a challenge calls for at least five years' post-qualification experience, with at least two years in a Financial Control role in a large, commercially-focused organisation. This could have been in any sector of industry including manufacturing. It will be your knowledge of sophisticated techniques, your qualities as a team player and your track record as an achiever which matter above all.

A leading management guru recently concluded that NatWest Life "... has sought to ensure that it is fated to succeed". If your talents match the task, you can anticipate a stimulating challenge and a thoroughly rewarding future in the company.

The package includes performance-related bonus, profit share, mortgage subsidy, non-contributory pension and relocation assistance where appropriate.

Please write with a full cv to: our retained consultants, WTH Executive Resourcing, Wheale Thomas Hodgins plc, 13 Berkeley Square, Clifton, Bristol BS8 1HG, for the attention of Tony Hodgins ACA, quoting ref. 1243/FT.

NatWest Life is an equal opportunities employer

National Westminster Life Assurance
We're here to make life easier

Outstanding ACA with Commercial Directorship potential

GROUP FINANCIAL MANAGEMENT

Surrey **to c.£33,000 + Car**

The Berkeley Group plc is arguably the most successful UK house builder of the 1990's and last year saw sales increase by over 40% to £182m and profits by 25% to £15.8m. They are set to continue expanding and to achieve their strategy of being the most profitable group in their sector.

Initially based at the head office in order to familiarise yourself with the Group and its businesses, it is intended that after a short period (6 months +) you will move to an operating division becoming a Commercial/Finance Director. The initial role will report to, and assist, the Group Controller in ensuring the effective financial management, control and planning of the Group.

Candidates will be ACA's who possess strong leadership and interpersonal skills, and aged 27-32. You will also need to have an enquiring mind and possess the determination to progress.

Interested individuals should write enclosing a full CV to:
David Rush, Director,
Management Selection Consultants Ltd,
11-12 Hanover Square,
London W1R 9HD.
Tel: 071-495 7771.
Any direct applications will be forwarded to our consultants.

MSC
Management Selection Consultants

APPOINTMENTS ADVERTISING

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.

For further information please call:

Gareth Jones on 071 873 3199

Rachel Hicks on 071 873 4798

Andrew Skarzinsky on 071 873 3607

INTERNATIONAL ACCOUNTANT

Based Northern Home Counties

For more than 70 years, our client has been one of the major forces in the construction and civil engineering industry, achieving an enviable reputation by providing high-quality solutions to international projects.

In this high-profile management role, which involves regular overseas travel, you will have overall financial control of the company's international division. Your wide-ranging responsibilities will include the financial control of contracts; managing funds and currency exposure; and advising on project finance.

A qualified accountant, probably in your early 30s to 50s, you will have experience of overseas operations in a construction-related industry, and strong knowledge in the areas of financial management, ECGD, project finance, and currency and tax management. Excellent interpersonal and communication skills are important, and you will need to be highly mobile.

In return, our client is offering an attractive salary and benefits package together with the scope to develop an outstanding career with a major company.

To apply, please send your cv, quoting reference H7047, which will be forwarded to our client unopened. Address to the Security Manager if listing companies to which it should not be sent. PA Consulting Group, Advertising and Communications, 123 Buckingham Palace Road, London SW1W 9SR.

PA Consulting Group
Creating Business Advantage

Executive Recruitment · Human Resource Consultancy · Advertising and Communications

CJA RECRUITMENT CONSULTANTS GROUP
2 London Wall Buildings, London Wall, London EC2M 5PP
Tel: 071-588 3588 or 071-588 3576
Fax No. 071-256 8501

Good career prospects exist within this expanding company to move within the group

BUSINESS MANAGER

CITY **£27,000-£30,000 + BENEFITS**

INTERNATIONAL DEBT RATING SUBSIDIARY OF MAJOR U.S. GROUP

The U.K. business unit of this well-known company has grown rapidly in recent years. The successful applicant will work closely with the Operations Director and will continue to develop and implement new systems for financial and administrative control to generate the management information for performing analytical reviews of the operations, monitoring budget variances, etc. There will also be ad hoc commercial projects for London and New York. Applicants (aged 24-32) should be degree calibre and must have formal accounting experience and, as hands on experience is of greater importance, need not be qualified accountants. Systems and EDP experience and experience in the financial sector will be an asset. This is a front line position with contact with management throughout the group. Initial remuneration negotiable £27,000-£30,000 + excellent benefits. **Applications in strict confidence under reference BM4920/FT to the Managing Director, CJA.**

FINANZ DIREKTOR

Multi Nationale Firma in England sucht einen qualifizierten Britischen finanz Direktor fuer den norddeutschen Raum. Alter 30-40, mit Universitaetsgrad und moeglichst Diplom Betriebswirt. Gute Verdienstmoeglichkieten.

Phone +44 (0) 492 546-835.

FINANCE DIRECTOR
PHILIP WILSON PUBLISHERS LIMITED

C London **c. £35,000**

A Finance Director is required for this independent publishing house and owner of the Zwemmer bookshop chain which has a turnover in excess of £5m.

Working as part of a small management team you will be aged around 30 with proven commercial experience, computer literate and a hands-on approach.

Controlling a small accounts team you will be responsible for the development and implementation of tight financial disciplines as well as the usual management accounts, cash flows, budgets and statutory reporting.

Please write with full CV, including salary history and daytime telephone number, to Box B1901, Financial Times, One Southwark Bridge, London SE1 9HL.

SmithKline Beecham Pharmaceuticals

FINANCE MANAGER - CHALLENGING ROLE IN A FAST MOVING ENVIRONMENT

HERTS

C.£35,000 + CAR + BENEFITS

SmithKline Beecham is one of the world's leading healthcare companies with worldwide sales of over £5 billion. Divided into four business sectors, Pharmaceuticals, Animal Health, Consumer Brands and Clinical Laboratories, each ranks among the world's leaders in their respective industries.

The company continues to remain at the forefront in terms of its pharmaceutical Research and Development and an exceptional opening now exists for a high calibre individual to join the newly established R&D financial team.

Responsibilities are high profile and will encompass:

- providing a financial reporting, budgeting, planning and control service
- defining, implementing and maintaining standard transnational procedures, processes and accounting systems
- ensuring R&D expenditures are positioned to maximise tax savings
- exposure to treasury issues and involvement with specific project work

The successful candidate will be a graduate qualified accountant, with up to five years post qualification experience, preferably gained in a multi-national business environment. Strong financial and management accounting skills coupled with a sharp analytical mind are demanded.

Personal qualities will include a hands-on approach, a high level of motivation, and the ability to communicate at all levels and across all disciplines. You will also be a strong team player with a demonstrable record of achievement to date.

This is an outstanding opportunity for an ambitious and talented individual to join a highly successful organisation, offering a comprehensive benefits package, including relocation assistance, and excellent career opportunities.

Candidates whose background and ability match this opportunity should write, enclosing a detailed CV, to Simon Moser at Robert Walters Associates, 25 Bedford Street, London, WC2E 9HP Fax 071 915 8714.

ROBERT WALTERS ASSOCIATES

TELEWEST COMMUNICATIONS GROUP LTD

BUSINESS ANALYST

Woking, Surrey — Package to £30,000 + Car

Our client, Telewest Communications Group Limited was created in April 1992 to provide management and support services for the U.K. Cable interests held by the joint venture between Telecommunications Inc. (T.C.I.) and U.S. West, two leading U.S. multi billion dollar turnover corporations.

As the U.K. leader in the competitive cable television and telephony market places, Telewest is poised for further rapid growth and needs to supplement its finance team with a commercially aware analyst.

You will play a key part in the development of the telephony side of the business and will be responsible for providing competitor analysis and internal costings for the Marketing and Telephony operating departments.

The telephony market is complex and we are therefore seeking an exceptionally bright individual with a strong financial analysis background preferably gained within the industry. First class communication and interpretation skills are obviously a pre-requisite, as is an impressive educational background probably encompassing a recognised accounting qualification.

The position represents an outstanding opportunity within this young, growth industry and will require a committed professional with energy and drive.

For further information please contact Karen Heathfield on 0444 416636 or alternatively post or fax your CV to her.

PLEASE NOTE THAT ALL APPLICATIONS WILL BE FORWARDED TO HEATHFIELD HARGREAVES LTD.

HEATHFIELD HARGREAVES LIMITED

Chaucer House, 6 Boltro Road, Haywards Heath, West Sussex RH16 1BB
Tel: 0444 416636 Fax: 0444 416002

TAX RELIEF FOR INTEREST AND FINANCING COSTS

A seminar presented by

FINANCIAL TIMES
LONDON · PARIS · FRANKFURT · NEW YORK · TOKYO

in association with

ROBERT WALTERS ASSOCIATES

at

The Connaught Rooms, London WC2

on

18th November, 1993

Recent changes in both tax legislation and case law mean that obtaining effective Tax Relief for Interest and Financing Costs has become increasingly difficult. In association with the Financial Times, Robert Walters Associates is sponsoring a seminar aimed at discussing the most relevant issues, surrounding this highly complex area of finance. The three experienced speakers below will address aspects of the topics including:

- UK issues relevant to Debt Financing Instruments and Preference Share financing.
- Changes introduced by the Finance Act 1992 and 1993.
- Structuring payments gross with relation to quoted Eurobonds, short interest, zero coupons and Treaty payments.
- International Aspects of tax-efficient cross-border financing, managing group cash tax efficiently and recent developments in Germany and the USA regarding the deductibility of interest.
- Tax relief for interest under UK Legislation and the commercial aspects of funding subsidiary operations
- Capitalisation of interest and the increasing importance of accounting treatment in relation to tax relief.

L&P LINKLATERS & PAINES — British Gas — Price Waterhouse

Admission is by invitation only. To book a place or to receive a transcript of the event contact Julie Peacock at:
Robert Walters Associates, 25 Bedford Street, London WC2E 9HP. Tel 071-379 3333 Fax 071-915 8714

FINANCIAL DIRECTOR

Snowdonia — Salary circa £35k+

Our client is a dynamic and expanding manufacturer of specialist confectionery. Rapid growth is being generated by products which have a technological lead and marketing edge.

This growth has created an opportunity for a qualified accountant who should have experience of providing accurate information and exercising financial control within a fast moving manufacturing environment.

Modern management is a hallmark of our client's business success and it is essential that you are able to demonstrate leadership and ability to work as a member of an executive team. Your interpersonal, motivational and negotiation skills should be of the highest order.

You will be responsible for the effective, efficient and accurate management of the company's accounts, banking and funding information. To assist you, a small, dedicated and skilled team is in place.

The business is privately owned and supported by a leading venture capitalist. It is based in the Snowdonia National Park and will particularly appeal to someone wishing to combine a challenging and demanding career with the attractions of a rural lifestyle.

Please write in the first instance, quoting reference 5568/BIL, with full personal, career and salary details, to the company's advisers.

WALTON CHURCHILL ASSESSMENT AND DEVELOPMENT SPECIALISTS

Walton Churchill PLC, Britannic House, 32 High Street, Northwich, Cheshire CW9 5BL. Fax No: 0606 40269.

—— CITY SURVEYOR'S DEPARTMENT ——

Finance and Records Officer

£24,663 – £27,223 inc

3 Year Fixed Term Contract

The Corporation of London is the local authority for the Square Mile, although it has many interests outside the City boundaries and beyond the usual scope of local government. Its administrative base is Guildhall in the heart of the City and this is where its offices are to be found.

The City Surveyor is responsible for managing the Corporation's commercial investment property holdings and for providing professional valuation and surveying services to other departments. Following a re-organisation of the department, a new post has been created to provide specialist financial advice as part of the Departmental Management Team. It is envisaged that the postholder will provide strategic advice to improve the performance of the various property portfolios, by keeping abreast of innovative market developments and taking an overview of the financial position. The postholder will also have overall responsibility for the work of the Accounts and Records Sections and will report to the Deputy City Surveyor.

We are therefore looking for a chartered accountant, possibly with public sector and preferably property experience. Since two Section Heads will report directly to the postholder, experience of staff management is necessary.

This post is politically restricted under the Local Government (Political Restriction of Posts) Regulations 1990.

The starting date for this post is 1st March 1994.

Application forms and further information are available from: The Personnel Officer, City Surveyor's Department, Corporation of London, Guildhall, London, EC2P 2EJ. Telephone: 071 332 1990 – 24 hour answering service. Closing date: 26th November 1993.

SERVING THE SQUARE MILE

CORPORATION OF LONDON

C&G

Finance Audit Manager

Gloucester — c£30,000 plus car

C&G is one of the UK's top six building societies with total assets of over £16 billion. Expansion and diversification of the Treasury operation, including increasing involvement in foreign currency transactions, has led to the need to further strengthen our well established and highly professional Audit team.

Reporting direct to the Head of Internal Audit, you will enjoy a high degree of autonomy with particular responsibility for maintaining rigorous control monitoring procedures in the Society's Finance and Retail Investment Divisions (in two locations Gloucester and Fareham).

A qualified Accountant, you will need to have at least five years' auditing experience (including specific experience of the audit of sophisticated Treasury functions) and have a good knowledge of international money and capital markets and related dealing/settlement systems. A forceful communicator, you will have a high degree of judgement and integrity together with a practical and helpful approach in your dealings with others.

In return for your commitment and professionalism, we are able to offer a high profile role in a dynamic, fast growing organisation. The benefits package is in keeping with the seniority of the position within the Society.

To apply, please write with full curriculum vitae to Karen Martin, Personnel Manager, Cheltenham & Gloucester Building Society, Chief Office, Barnett Way, Barnwood, Gloucester GL4 7RL.

C&G Cheltenham&Gloucester Building Society

EXECUTIVE SELECTION CONSULTANTS

London, SW1 — Highly competitive salary

Whitney Selection is the recently-formed subsidiary of a leading international search company. It shares its parent company's excellent reputation for market awareness and professionalism. In order to capitalise on the company's early successes, it now plans to recruit at least two additional consultants to join its small, hard-working team.

Candidates will be graduates or MBAs, ideally aged 28-45, with at least three years' experience of working in a leading executive recruitment consultancy specialising in banking, financial services, commerce or industry. A proven capacity to build a high-quality and loyal client base is essential. Good performance will be generously rewarded.

Working closely with the Managing Director, candidates must demonstrate high levels of stamina, initiative and integrity, in addition to a genuine commitment to the company's growth.

Interested candidates should send a full curriculum vitae, including details of salary, to Carol Jardine, Managing Director, Whitney Selection, 17 Buckingham Gate, London SW1E 6LB, quoting reference WGEL/FT.

THE WHITNEY GROUP

WHITNEY SELECTION

FT/LES ECHOS

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone: **Clare Peasnell on 071 873 4027**

SENIOR FINANCIAL ANALYST

To £28,000 + Car + Benefits

Crawley W. Sussex

Owners Abroad is one of the UK's leading tour operators with a turnover in excess of £650m and a portfolio of well known brands that include Enterprise, Sovereign and Sunmed. It now seeks to recruit a young qualified Accountant to join their team of Financial Analysts.

Operating in a highly competitive market, the continued success of the Group depends on the financial support and appraisal of its marketing function.

Key responsibilities will include pricing, margin appraisal, strategy evaluation and sensitivity analysis.

To be considered for this challenging position you will be a young qualified Accountant with at least 18 months post qualification experience ideally gained within a fast moving commercial environment.

If you feel that you have the business flair and believe you can make an impact on the business please contact **Viv Blake** on **071-387 5400** or write to him at **Financial Selection Services**, Drayton House, Gordon Street, London WC1H 0AN. Alternatively fax your CV on **071-388 0857** (Quoting Ref: 24).

fss

Owners Abroad TOUR OPERATIONS LIMITED

HOTEL ACCOUNTANT

We require an experienced hotel accountant to implement and control all areas of the fully computerised financial systems at the soon-to-be opened 90 bedroom 4 star Radisson Hotel and Country Club. The facilities include a swimming pool and leisure club, an 18 hole golf course and conference facilities for up to 350.

Applicants must have experience of preparation of accounts and management information, food and beverage controls, and be used to supervising staff.

If you are ready for a positive career move phone Brian Stowell on 0624 661111, or write with full CV to:

Brian Stowell
Mount Murray Country Club
Santon, Isle of Man

ROTCH PROPERTY GROUP

CORPORATE TAX MANAGER

WEST END — SALARY NEGOTIABLE

This expanding property investment Group is seeking a Corporate Taxation Specialist with experience in Property Tax Planning, International Structuring, Property VAT and general Tax Compliance matters.

We are seeking an energetic, commercially minded person to control all taxation aspects of the group. Responsibilities will include the provision of quick, practical judgement on the tax related issues of potential deals; tax planning for multinational groups; contributing to a small dynamic management team in respect of tax driven deals; arranging and negotiating capital allowance claims; and preparing or overseeing day to day Corporation Tax, VAT and PAYE compliance work.

The successful applicant for this position will probably have gained experience with one of the large accountancy firms, had extensive involvement with the property sector, practical experience of tax planning issues and be used to dealing with the Inland Revenue. A working knowledge of VAT and other property related taxes is essential.

Interested applicants should write to: *Michael Ingham, Financial Director, Rotch Property Group Limited, 7th Floor Leconfield House, Curzon Street, London W1Y 7FB,* enclosing a full Curriculum Vitae which will be handled in the strictest of confidence.